

Mexico – Towards being the USA's First Trade Partner: The Necessary Political, Social and Business Conditions

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Presented: 21 September 2011

Thank you very much to Robert Blake and all the people who work in this area. They made an excellent program for me and my wife for this week. I am going to see as much as I can of MSU and bring home everything from this weekend, with this idea. Like Robert said, I have an MBA from Michigan [State] from 1970, so it's a little bit back. And I'm going to share one or two experiences on that, but later on.

My presentation today is an idea that has been going through my head talking with different men and people in the public and private sector, mostly Mexico of course. To have this context of being USA's number one in the trade with the United States. Of course I am going to go a little bit further on this idea.

First, Mexico is number one already, Mexico is already number one. How can I come to that conclusion? Well, it's easy. You have official statistics of trade of goods and services between the United States and Mexico. You have Mexican statistics or American statistics, and you add up the estimated other products that are not listed, and you come out with a set of numbers that Mexico is number one. Of course, we cannot have order about estimated statistics, because it comprises illegal drugs from Mexico and Central and South America to the United States. And illegal products like arms are coming to the United States from Mexico. So if you add up those estimations to the official data, it comes out that we are number one already, so it's not that hard to complete the picture. But this is true, if you take this as an idea, you can figure out all the rest that surrounds it. For example, security, how important is it for both countries? What happened in trade. It's very, very important, the social and political implications of this situation, because it covers a lot of fields that are not considered the normal trade. Now what it is, is international of trade.

International trade is a simple idea, just the trade of goods and services, as it has been for thousands of years. Countries knew each other about trade. The Italians went to China and bought silk, and the Africans bought salt and other products and trade has been all the time there and international trade has been more important than a lot of people think. Because it comprises a full understanding of the other. If you are in one country, you don't begin to understand the other until you trade with them in products and services. So we see a little bit

close the international trade of goods and services with the United States. And there are three countries that matter, all the rest are very well below. You have imports and exports, the last official data from the United States is July of last year. With adding exports and imports, Canada is number one, with 343 thousand million dollars. Second is China with 235 thousand million. And third is Mexico with 261 thousand million. So these are three countries.

Below those of course are a lot of European countries, Asian countries, so forth. Not even Japan gets close with their figures. Now, for the United States, of course, Mexico is only 12%. And for Mexico, the United States is 80%, so this is a country that really matters. It is very important for Mexico to be number one in the United States. And for Mexico, that 12% is increasing. For China, it is increasing. But for Canada, no. Japan is decreasing, it is 7% and it is decreasing. So we have here China, it is 20% now with everything the United States does.

Now, in getting a closer look at what products and services are handled between these countries, it is where you find exactly what may happen in the future. What may happen in the future is number one, Canada for me has established every possibility available. Canadians have studied and been in this market and vice versa. The United States has been in Canada. Comparing with the policies of Mexico and China, I leave Canada outside, because they don't want to be more involved with the United States. Canadians understand very well the United States and they have handled their economic and trade with the United States so carefully. For example, Canadian currency. Canadian currency in the last forty years has never tried to equalize with the United States currency. Never. They know for sure that having a Canadian dollar that is lower in value than the American dollar is good for them. The value is always lower than the United States and it works perfect for them. They are very smart. In fact here there is a Center for Canadian Studies and I think I know why.

So let's speak about China, the other country that matters for this whole idea. China is doing a lot in the United States, but the balance of trade is uneven. The United States is buying a lot from China, but China is not buying from the United States. They do not need to buy from the United States. It is too far away, they have other competing sectors between China and the United States. China is also very smart people. They do not want to happen what happened with the petro dollars that happened in the seventies. I think for the future the Chinese increases in trade with the United States is going to diminish, because the United States is also understanding how the relationship is working with this operation. And the solution is financial. In China, the financial situation is so incredibly complicated for Western people to understand, that if you ask any banker to understand the Chinese system, they will honestly say they do not understand how it works. I have my own theory from a businessman's point of view. How come am paying so little for a Chinese shirt because of the buttons? How come? That shirt is 1.50 for the whole shirt? I pay fifty cents for the buttons, how can you do it? If you go there, you find

out that the company by Western standards is broke. What happened? The local bank that supplies the money to pay the taxes, to pay the wages in that particular Chinese town, is broke too? How do they do it? Well, there's a central bank on top. And the central bank on top gets very good profits from other services, and very bad business with all of these exports, they compensate, and they allow the local banks to go bankrupt. So this system of balance of course is working for the Chinese, and no one else in the world can compete. And it's not necessarily wages. It's the financial system. And you go to Western bankers and you ask them, you say I don't understand. And they say I don't understand either. So when is this going to stop? Well, it's stopping now. Prices in China are increasing. Because of transportation costs they are increasing. They're bringing products so far away to the American continent in general.

Versus Mexico. Mexico is really just starting to work with the United States. The possibilities there, we are going to see a little more of what I'm talking about. But before that, let me talk about two things. First, NAFTA. Fifteen years ago, Mexican politicians started trying to form a North American Free Trade Agreement with the U.S. and Canada. It was very hard in the beginning. The unions thought that considering the labor cost in Mexico was so low, all the countries were going to move there. Didn't happen, we already started with this NAFTA agreement in the first of January, 1994. And this doesn't happen. In fact, a lot of companies that the unions were afraid would move are now in China, or India, or other Latin countries. And those in Mexico that were worried were those in the primary sector, the farming sector. And everything that we were worried about happened. Mexico lost a lot with the NAFTA agreement in the farming sector. Why? Well, exactly, what we were considering before, signing the agreement. The cost of producing for the entire United States all the grains, rice, maize, wheat, everything, all the seeds, is so low. We cannot compete. The United States in the farming sector has had a lot of nature on your side. Here you know your plants, your soil is wet, so you don't need to irrigate a lot or kill bugs a lot like in a warmer field. For example for corn you average ten to twelve metric tons per acre, and in Mexico the average is 2.5. So the difference is four times. And it was four times 1994 and it is four times the difference now. So how do we do it, besides competing with another idea.

And this is the idea of food independence, food freedom, and this is a very powerful idea that came out after WWII. All the countries that suffered like Europe, Japan, and the United States, all of them, are subsidizing their farming operations. And that is correct, I help the farmer to not disappear. Tomorrow, all European farming activities can stop, and the rest of the world will supply. Africa, Asia, Mexico, everybody. Europeans can transform those activities to put more tourism. You know, they are very good at tourism in Europe. They can stop all food production. Why didn't they do that? You love independence, independence in the food area. Mexico is losing its independence in the food area. Fifteen years after NAFTA, right now we are dependent on United States grain for 60%. Rice, we are dependent on United States rice to

feed Mexico. Corn, those of you studying anthropology know that Mexico is the origin of the name. Now we are not so solid on that. When I ask the federal government about it, let's do this, it's a huge disagreement with NAFTA and the United States and Canada particularly in the food area. The United States puts immigrant culture and says that if you export 15% in value of what you import, then you are okay, and you are not dependent on food of the other. But it's a different kind of food. We export in value 15% in the farming area, but it's not grains. It's not the bulk of the food. It's food that is high in value, high in capital for producing and of course you cannot supply food for a one hundred ten million population with some eggplant. I mean the basic food is grain and we are losing it.

So the NAFTA who was created to have a solid market against the world is working, is working well in general but has not really entered the soul of the citizens of our three countries. If I go around this campus and ask "What do you think about your solid partner in world trade?" Well everybody is going to tell me "What are you talking about?" You are our partner, and with Canada – the three of us - we are against the world. We are against the Europeans and China in competing with trade. It's an idea so lax that nobody cares about it.

NAFTA the work as I said, and besides the food, the grain area, we have all these problems – the canned tuna problem has been there since NAFTA started. And the canned tuna is another type of problem that doesn't have anything to do with trade. It has to do with the tuna fleet of San Diego that we were very angry when they disappeared after the United Nations created this 200 miles of sea territory and then all these tuna fleets that were taking tuna from the Pacific coast all the way from California to lower Panama – that was the main supply to them – and now they can't after this United Nations agreement in the 70s. So they invented this thing called Dolphin free – It's an absurd idea. Nobody kills dolphins in the Pacific when they're catching tuna but if I don't put this sticker on my tuna that says "dolphin free" it cannot enter the United States. But we have an agreement – we have a NAFTA agreement that says that everything can go up and down. Come on and see how they capture the tuna – they spare out the dolphins, they don't kill the dolphins. So it is a sensitive issue. The solution is very easy but the public doesn't know. This isn't in the United States newspaper or television, but for us it's very important.

Canned tuna, cement – also another problem – we have NAFTA why don't you buy my cement? Well, because they are doing dumping. Well let's study if there is dumping or not. You study the accusation and check out everything - production cost, prices and so forth - and say "Okay there is no dumping here." Mexicans are using cement in a very efficient way so they can compete everywhere in the world with cement. As a matter of fact the Mexican company of cement is number 2 in the world I think. Well, we have problems like cement with the United States.

And the third area is trucks - transportation. United States trucks can come all the way to Mexico – even going all the way to Central America - crossing by, no problem. But have you seen a Mexican truck here, in Detroit? No. Why? They are not allowed to cross the border. The Mexican government is working very hard on this. As a matter of fact, the minister of economics in Mexico has said the problem was solved. I congratulated him but I haven't seen a truck crossing yet. So this is the type of problem solved by NAFTA, but NAFTA again needs to be first a concept, a concept that comes down, if it doesn't come down, somehow, some people are going to try to put obstacles to work.

The European Union for example, they have the same basic idea, it's not too complicated, they started with carbon and steel, and said: in all Europe, movement of carbon and steel is going to be free at the borders. You can bring carbon from the United Kingdom to the south of France and vice versa, and so on and so forth. From there, they have now twenty seven countries that belong to the European Union, everything is free to move, all products and services moving to all 27 countries. But not only that, they increased the level of connectivity at the market and, after products and services, they started with people. When I was living in Europe, all the workers we hired were Spaniards. When Spain came into the European Union they all went back to Spain, because now the wages in Spain increased so much that it was an equalizer, the countries in the European Union had more or less the same income as wages, but they started with products and services. And then they increased their Union, now they have a parliament which is a common parliament. They decide on laws that affect all 27 countries. They have a coin, the Euro, that doesn't work for all 27 countries but because the British, the U.K. is very loyal to the U.S., and they said "we don't want the Euro, we want the Pound". And the U.S. said "good then, that way we compensate a little bit." Well, the Euro is not for all 27 countries. But they have many other things. They have, for example, central statistics in Europe, they have a lot of normativities, a lot of legal activities that are to everybody, to all the 27 countries.

Now, any time I speak of the European Union for I spent nine years as a diplomat, as a commercial and economic counselor there, they say "you cannot compare European Union with NAFTA". Why not? I mean, consider the differences before but, why not? It's a trade union that got to be more integrated in all economic terms and that's it, that is the whole idea. But somehow we at NAFTA have taken advantage of what is good in the European Union. Of course there might be things that are not so good, but let's talk about it, let's see when have you been in a seminar comparing the European Union with NAFTA: never. At least in Mexico I have never been to a seminar comparing both, and the basic ideas are the same: to make a market block, let's take advantage of the good things of everybody in the union, etc. Until then, we are a little bit stopped in NAFTA, we need to do something about it.

Trading is so simple, trading is very simple: "what do you want from me? I want grains, you give me grains and I'll give you X-ray machines to your medical hospitals. OK, that's good. I'll send you food and you send me these machines." What has happened in the three areas (primary, secondary, and tertiary) in NAFTA? In the private sector after the grain situation that I just told you, we have other things that are working very strangely. For example, the fisheries. The three countries, we have excellent resources and excellent ways to do things, in the sea, in sea products and we're not working together and we don't know why. Possibly because they are enormous. Mexico can supply a lot of fixed products and by products to the United States and Canada and vice versa. Some of the Canadian companies that produce salmon are no longer in existence in Mexico, now that we get salmon from Chile. The nature and environment is in Canada but they come from South America now.

Cattle. We have a lot of opportunities to work together there. Yes, of course, we do something, but not enough, that's what I'm trying to say. We have a lot of land in Mexico that we can use to produce feeding for animals and so forth.

Mines. There are 300 Canadian companies mining in Mexico. We have two or three United States companies. The same ones for fifty years. But all of these Canadian companies are new, they started in the last few years. I suppose you all know that the price of all metal has increased tremendously, it's incredible. The price of gold and silver and copper is so high that I find myself Chinese importing raw materials from wherever where you can take out the iron. But they take the stones all the way to China, they don't even care of producing metals out of stones in Mexico. We have the factory to do it. No, they take the raw materials and don't spend a dime producing locally, they take raw materials and go to China. But we are very well set in that department because non-renewable products, mining, you have to give them a little bit. And you have to take out the best of it, and the investment is to produce value, produce the final product.

And oil, the fourth, is a different matter. Oil, and the United States, Canada and Mexico in NAFTA have an agreement, this thing is working in a way that everyone agrees what's happening with it. They are not very happy about losing a local non-renewable source. But that's a stable thing. But again mining, what have the American companies in Mexico mined? 300 Canadians. They probably have a meeting like this in Canada "oh let's go to Mexico and do mining" because it's an incredible amount, 300, and they are producing everything.

The secondary sector, we are doing better. That's where we can work the skies a bit. I am very glad about what happened in the United States about the automotive industry. Of course, before the 2008 financial crisis, before that, the American car industry suffered. There were the Japanese, the Koreans, everyone who had companies here. Even the people who worked for the big three American companies were driving home in a Toyota. This is what really happened!

You know, it's a softer car, lower consumption, lower expenditures. But somehow, the automotive industry in the United States responded, and now the products are excellent. They are excellent. And of course, we Mexicans supply a lot of parts and have very strong ties to the automotive industry, we are very happy. That's for sure. And coming out of that idea of the secondary sector, the industrial sector, comes another sector, what we call the *nina blanca*, white products. Particularly, chemicals, and partings, and thousands of products. I took the whole list of products and services. For this conference, I tried to think of some examples. Everything is possible, we hear that the sky is the limit. We can do a lot in this sector with the United States to increase NAFTA trade, to increase investment opportunities. I have a friend in Monteray who owns half of a company here in Detroit that produces huge metal rings they are using in operations for dams and things. It's a forge. And he's near Detroit and everything goes perfect. This is what is supposed to be NAFTA, everyone helps the other.

And then of course we have geography. Geography is quite important. Mexico is a US neighbor. Mexico has a huge frontier, enormous. Please do not erect a wall; we are not the enemy, we are your friends. And there are some sectors where there should not be a wall at all, no borders at all, like the NAFTA industries. They are now very heavy in Mexico, we are the leader with the hand of the United States. And there is something here for United States businessmen too. They did not know that Mexico can _____ and replace planes _____ this operation. The new operation with materials to help discover faster planes and going to the states and aeronautics.

The secondary sector, I could stay with you for hours going sector by sector, product by product. And again, we can contemplate on that Mexico is the United States' trade partner number one. It's also a place of possibilities.

Ten years ago I was invited by the president of Panama to see Paramount in LA. He took us around and my family went with me. And I saw every little thing they do for making movies, with such expertise. Even the normal girl who does makeup and over there it is a science, makeup. Everything else, products, effects. It is a fascinating industry, making movies. And at the end, I said to Mr. Don I don't remember his last name, and I asked "what is the problem with this industry" and he said "Good scripts" If you have a good script, that's great, that's what happens in movies, and everything can be matched to a good script. And I said to myself "oh, we are very poised in Mexico to make a movie industry. We have lots of good writers, and writers who have imagined what the movie should be" and he said, "sure, I'm waiting for your scripts and we will turn them into good movies". Movies are part of cultural content, and this is growing so incredible. Tonight, when you turn on your television set there are 100 channels. And what are you going to put on these channels? They want to bring old movies? Oh that's

done. You're going to remaster old movies? Yes it's done. You're going to make new movies? Yes. You're going to make TV shows? Yes.

But the amount of material that is demanded, the guys who are in communications, it's a huge gap, and Canada, the United States, and Mexico, we need to get farther away from what we are doing with NAFTA in that sector, in the tertiary sector. The digital world in general, I cannot tell you because you are an expert on those. And now in the United States for example, the measure of the exchange in the tertiary sector includes everything like royalties and license fees that come from the digital library. It has to be both ways. You present me a contract, I made a contract for this presentation, I had to sign that this belongs to MSU what I am telling you. And I put my name and my blog, you know. If you happen to be in a movie, if you were contracted in a movie as a secondary actor or an actor or just a person there, they give you a paper to sign that you give your image to that company, including interplanetary trips. It's in writing, you know for the future if you travel from the moon to Mars, a long way, you have to see a lot of movies, you've given your consent. Well those royalties, those license fees, are now considered in the United States statistics. Same as travel—travel, passenger logs, US military sales of the US government abroad. These are not necessarily considered in Mexico statistics in such detail.

Well, I think I'm going to spend a little bit of time because I have some moments to tell you. [1969] is the year I went to MSU. So I'm going to tell you three small anecdotes. First one, it was the autumn of 1969. I was living at Hubbard Hall because I came so fast to study my Masters' that they put me in Hubbard Hall with the undergraduates because they didn't have room for me. One particular night, I will never forget this night, was the night of the black and white ball. The guys who got the black ball immediately went to Vietnam. The guys who got the white ball had another year, safe. There was a time when everybody who was over eighteen years old had to pick up a ball, white or black. I don't know if the color means a lot to you, I don't know if it was the opposite, if you took the white ball you went to Vietnam, but the idea was very clear. So the guys who were for sure going to be sent to Vietnam got drunk that night, totally drunk. I was there, nobody told me. The guys who were spared one year also got totally drunk because they were so happy. So that night everyone was drunk. And I didn't see any policeman out that night. It used to be that this campus had its own police school. Do you have the police school on campus? Well they used to, when I was here in '69; they used to have their own school. Well that night I didn't see any police, and it was a shock for me. I came from a country where we had peace, that had never seen war, the last battle we fought was ninety years ago, ninety five years ago almost. So it was a very strange night for me as a Mexican, I had never considered it. The Mexican foreign policy was to not intervene in other countries' problems, our army was to protect the border, but we didn't fight against countries. It was very strange because everyone I talked to in this country that night was against the war. Everyone. I didn't find one that said "oh

we need to go and fight and so forth". That's my own experience, I don't know what other students experienced. That was a big day for me at MSU.

Second thing, I was getting my Masters' Degree in Business at the Eppley Center. One of my professors told me "The object of the business center priorities is number one, pursue profit. Number two, help workers, everyone who works at a company, from president down to the bottom. Help is applied, by help I mean treat them well. Third is the suppliers. The fourth one is the consumers. The consumers are important and we owe them, but after the workers and after the suppliers. The fifth priority of organizations in society. First the United States society but then the world in general. If I'm going to make a car, the car must work, a radio, the radio must work, and work hard and do my best and contribute to the world a good product. And that's not what attracted me. What attracted me is, this is what he said in '69, "Profits from a company have to be double the amount of inflation". Could you imagine the inflation today is 3% could you imagine a company trying to have profits of 6%? No way! So what happened in those forty two years? Because United States is the center of the business world. There is no other country in the world more oriented to business than the United States. And at that time, it was definitely the middle. What happened all the way? It was the war that helped to make these types of statements. It was the Wall Street movies. So if you take that precise indication of our teachers to the rest of what I said, you have some harmony in doing business. Somehow we have lost it in the world.

My third comment about 1969 is very small and little. When I had just come to MSU I entered a group of judo and this teacher made rapid moves, very fast. And I turned out my feet, my feet turned out so I went to the infirmary here at MSU and the person at the infirmary said that "first your bone is out of place" so he put it back in place and "second, I need to put you in a cast and third you will need two months with crutches". He did so wonderfully that I was in debt, I don't know his name, to him for the rest of my life. I think that is why I like MSU so much, because I was healed and I never get sick.

Ok, now. This is the most difficult job of all. It will be a problem. And everybody thinks it's easy, and everybody says you see this, and all the trees are going to have no leaves and eventually there's going to be a huge fire. And so how can you, from one person, go from world trade to other ideas of the future. To be a prophet is very difficult, I'm not going to prophesize what's going to happen. But I know that the world has some problems everywhere, you just a prop open a newspaper and you can see it. Mexico for example, a lot of things are happening. In Mexico there are more international institutions than there were before. And when you join the institution like this, you ask what's happening in the world, and they ask you, and you say "you need to supply me this information". So Mexico is now in the hands of a lot of institutions, economic, and human rights, drug control, and all of this makes great things. And Mexico out of

all three countries in NAFTA is in bad shape. Now we are not good at doing _____ and education, and even human rights, the killing of officials, you know. And the 50,000 drug related deaths is a serious problem, a big number. So what is going to happen? I don't know. I put this but I don't want to be a prophet. We have to take these situations day by day. We have elections, we have an election next year. If you ask me what we need, what Mexico needs, of course you can read newspapers. Everyone in Mexico says we need reform, we need to reform the Constitution, and we need new reforms of security, labor, education, economy, justice. The possibilities are incredible to advance. We have to advance.

This comes to the other point, culture versus civilization, from my point of view. The situation has advanced a lot. In the medical sector for example, we are not where we were in '69 when I was here. But in culture, I think in some cases we are going backwards. And I think this is an important point I have to make. Civilization happened to improve situations in inequality. Inequalities in Mexico are big, larger just in the last couple of years we increased to 50% _____ in Mexico according to official figures from the Mexican government, and it used to be below the 50% rate. And also people who are economists look at the GINI Index, and the GINI is a measure of inequality around the world in economic terms, and Mexico is not doing very well. But what does inequality mean? Robert Blake introduced a beautiful group in May to look at inequalities. And it's inequalities of things, of food, of access to education, of land, of credit.

How do we advance? We have to study this country. We have to study this very closely—are we using the same values as '69? Are we using new ones? Are we putting on religion political decisions for example. We have to be careful and it's not easy to think about this beautiful idea of God we have but we cannot put political decisions into the hands of a different entity, God. And so people say the next war is going to be a war of religion. And this is scary, are we going to kill the other because the other person thinks different because of a different religion that is not mine? And this is so absurd, we are going back. I feel that we are going back in culture, we are not maxing it. We have made incredible advances in civilization. Civilization is advancing in everything, chemicals for waste and how we treat our children. Why? Culture is not advancing.

I like movies you know. For all the questions about the green future, I recommend "Quintent" a movie from 1979 by Robert Altman. That movie is about the future. A lot of movies are about the future, about the concept of history. These guys made a picture of the world without sunshine, a world after sunshine, what happened. Of course, nuclear energy, but after nuclear energy, what else? But anyway it makes us think that with oil, 500 years is tomorrow. The people who say that we have 500 years of oil, it's tomorrow! Come on! We have to think a little bit farther! Are we going to consume all the products that are not renewable? That cannot be renewed? This is just incredible. I mean we have to think about it. If we don't grasp all of our oil today, in fifty years from today, everyone will drive electric cars and oil will be worth nothing.

So let's take out all the oil, all the profits of it. This idea needs more consideration. And this where I refer to culture, we have to have some values. Of course green is a beautiful world that everyone is using in green buildings, green houses, green this and green that. And it's possible your output, you have to reduce it, but you have to think long term, not tomorrow. And what are the people in the world are discussing? They're discussing this everywhere. And the idea is to think globally, act locally, and I think this is a good idea.

We are going to go back to North America to finish. North America I already told you, every time I come to the United States for example the 6th annual meetings of Digital Education in the United State in fact I was a board member for the Eastern International Society for Technology Education and every time I come I see thousands of teachers. One time I gave a little speech to say what counts as international? This is very national. Teachers of all grades have to be linked together. We have the technology, the digital technology. We can explore, the sky's the limit, and even business can go out of there.

I'm going to tell you an anecdote, which is important to me. One time I was buying for Latin America video conference equipment, and it was very important, because we needed good graphics and this was ten years ago. So I called a company in Austin, Texas, and I said you are producing this and that, I'm going to fly up to visit you, and they said "no, no, we are going to Mexico City to make a presentation to you" and I said "okay". So they came to Mexico City and it was a presentation at 10:00 in the morning at the dicoteque in a big hotel, the only Japanese hotel in Mexico City, beautiful hotel, and of course the discoteque was empty because it was the morning. So they made the presentation of the product and at 12:00 sharp they opened the curtain, and on the other side of the curtain was a full buffet, with lobster, the most expensive type of food you can imagine, with wine and champagne, and everything, it was beautiful. And we were a group of about 200 people, and nobody approaches the table. So the beautiful girl and spoke in perfect Spanish, she said "please, go up to the table." Nobody approaches. I mean 12:00 in Mexico is not for eating, we wait until 3:00. And so I said to the guy, "I am surprised, I am sorry, but it is not our time. Bye bye." And I said to him, "what happened?" and he said "Well, we called a PR corporation in Dallas and they called Miami. Since in Miami speaks Spanish they went to Mexico City to organize this." True, they speak Spanish, but they are Cubans who have been in America for thirty years. And the Japanese in the hotel didn't know or wanted the thing. But the point is to know your market. You can't go anywhere without knowing you market. When in Rome do what the Romans do, when going anywhere do what the locals do. This is very important, this is not the first time I saw the video conference corporation. You try to talk to the other, you must think like the other, especially if you are a business.

That's it. I'm sure, and this the question for you, since you are academics who stand for a very high value. I'm sure you read this, it's only 755 pages all around. This is the national commission, this was the one that was paid by the State department. And the problem of the United States is a worldwide problem. And we already received in Mexico City photos from other universities and they don't want to study the problem. The academics is first sector to study things, because they need to see what happened, how it happened, and how to solve it. We need to see what happened and how to solve it so it never happens again, what happened in 2008.

Well if you don't want to do that you can go to this movie, I think you've seen it already. I put it there because there is another problem. The movie, if you saw it, starts with Iceland. And Iceland is a beautiful country that decided that the free market is the best way to solve all the problems. And the country went into bankruptcy if you remember. And in Mexico this is a serious issue. We only have one Mexican bank, one American bank, very big, three Spanish banks, very big, and one Canadian bank, very big. But only one Mexican bank who has not 20% of deposits. So we are very worried about the future in that area. We have in Mexico a development bank who is not doing its job. The Asian bank in the United States works very well, in Mexico we have one and it does not have a proper head. So banks, especially development banks, are very important. And if you saw inside job, Iceland is a case study for everywhere in the world. It was historic for finance. Iceland, go there. We were in Re_ one time, and it's a wonderful country.

We are going to finish. And we are going to bring it back to what I said at the beginning. We have to have a plan. We have to increase business relations between Mexico and the United States. We have to make reforms. Of course we have to be gradual. We have to have social motivation, the people are having the power of their voice, on Twitter, on Facebook. They are so important now. And we have to have a national consensus.

Now this has to be with the idea of equilibrium. This is my own idea. And trade is just a part of equilibrium, and we have to have both ways. The United States has good trade with Canada and Mexico, there is equilibrium. The United States does not have good trade with China, there is no equilibrium. We buy China's products, we don't sell anything to them. We have to say that this is a 200 year idea, but we have to look at _____. Everyone in Latin America is defending his raw materials. Everybody would do the same. You can accuse everything but laissez faire economics have not been good.

I like movies. This is of course a metaphor. Have you seen the movie? How many of you here think we could be like the men and women in Avatar? 1000 years? It's nothing! 5000 years? And we have to think way way beyond. We talk about green. It's beautiful, I saw it three times. In fact, in Avatar there is a metaphor for the green this communication of nature. I don't think

we're going back to the 17th century where we ride horses. We are enough in this world to live that life again. Okay, I've covered many things and I am not going to talk to them because I don't have any more time.

I'm glad my wife came with me. Last week we celebrated our first forty year anniversary. And I came with this phrase from this great philosopher I love. Thank you very much.