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Schwarzenegger talks immigration, trade

He meets with Mexican foreign minister, discusses need for legalized work opportunities.

By **JOHN GITTELSOHN**

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Gov.-elect Arnold Schwarzenegger met Mexico's foreign minister, Dr. Luis Ernesto Derbez, on Tuesday, an effort to build bridges with California's neighbor and a critical political constituency.

Schwarzenegger spent more than two hours at his Santa Monica offices with Derbez discussing immigration and trade, said his spokeswoman, Karen Hanretty. "Just an opportunity to meet and establish a working relationship," she said.

Carlos Olamendi of Laguna Niguel, a Schwarzenegger volunteer adviser who helped arrange the meeting, said the governor-elect discussed the need to increase opportunities for Mexicans to work here legally.

"His intention is to find a solution for immigrants to come to the United States and work here in a legal way," Olamendi said, citing Schwarzenegger's support of legislation that would create guest-worker visas and allow current undocumented immigrants to legalize their presence.

Although it was held in private, the meeting was Schwarzenegger's first publicly disclosed event since he met Thursday with President George W. Bush.

Most of the past two weeks have been devoted to choosing a staff in preparation for his new administration, which is expected to take office in mid-November. Today, Schwarzenegger travels to Sacramento to meet legislative leaders from both parties. On Thursday, he is scheduled to meet Gov. Gray Davis and other state constitutional officers.

The Schwarzenegger-Derbez meeting occurred a day after Bush and Mexican President Vicente Fox met to patch up relations that have become strained as Mexico refused to support the United States in Iraq and as immigration reforms stalled in Washington.

In addition to granting legal status to more Mexican workers, Schwarzenegger wants Washington to pay a bigger share of the cost of illegal immigration on prisons, health and social services.

Building good relations with Mexico is critical to the future of California's population, economy and environment - as well as its politics. Mexican-Americans represent a quarter of the state's population - and a larger share of the state's youth. Mexico is California's largest export market and a huge source of California's work force. Mexico is also a growing source of electricity, natural gas and other energy sources.

During the campaign, Schwarzenegger said he came to love Mexico while shooting four movies there. Exit polls found about one-third of Latino voters supported him, drawn to his appeal as both a celebrity and a fellow immigrant.

But many Latinos criticized his policy positions, such as his opposition to SB60, a new law that allows some immigrants to obtain California driver's licenses without proof of legal residence. Schwarzenegger also faced criticism for supporting Proposition 187, a 1994 voter initiative to deny public services to undocumented immigrants.

Schwarzenegger's popularity shows that Prop. 187 has lost some of its potency as a partisan issue, said Mario Rodriguez, vice chairman of the California Republican Party.

CALIFORNIA - MEXICO TIES

- **Population:** 8.5 million Californians have Mexican ancestry - 77 percent of the state's Latinos and 25 percent of the state's total population, according to the 2000 census.
- **Illegal immigration:** California is home to an estimated 2.5 million undocumented immigrants, mostly from Mexico. That costs the state about \$3 billion for incarceration and social services, according to Arnold Schwarzenegger's campaign, although some economists say undocumented workers contribute more in taxes than they receive back in services.
- **Trade:** Mexico is California's largest export market, buying \$16 billion worth of goods, or 17 percent of all California exports, in 2002. Japan, the second-largest market, bought \$11.1 billion worth of goods last year, the Department of Commerce said.
- **Remittances:** Mexicans working in the United States wired \$12 billion back home through September, a larger source of income for Mexico than oil, tourism or foreign investment, President Vicente Fox said.

"The only people trying to keep it alive are the Democrats, because they look at it as a wedge issue," said Rodriguez, a San Clemente businessman.

Ray Cordova, regional director of the Democratic Party in Southern California, applauded Schwarzenegger's effort to improve relations with Mexico, but said Schwarzenegger's close ties to former Gov. Pete Wilson, a Prop. 187 proponent, still raise questions about his sincerity.

"You can tell who people are by the company they keep," Cordova said.

At his term's start, Davis also pledged to work closely with Mexico, after an age of chilly relations under Wilson. "We are ready and eager to build for the future together - *juntos* - together," Davis said a month after taking office during a visit to Mexico City. But the warm words produced little substance, said Kenn Morris, director of Crossborder Business Association, a San Diego consulting firm.

"Unfortunately, he saw Mexico as a way to highlight Hispanic issues in California," Morris said of Davis. "He saw it as a local political issue instead of what Mexico really is: a country that will influence the future of the United States."

Olamendi said he helped arrange the meeting after Mexican officials phoned him to relay their congratulations on Schwarzenegger's election victory. "I was acting as a sort of ambassador," said Olamendi, a restaurateur and Mexican-American business consultant.

Olamendi and Hanretty said Schwarzenegger plans more meetings with top Mexican officials, although, on Tuesday, he did not use his Spanish-language movie line, "Hasta la vista!"

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