

SPECIAL REPORT

Mexico's challenge to Carter

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- An interview with EIR editor Fernando Quijano Gaitan on U.S.-Mexico relations.
- Excerpts from the speech by the trade counsellor for Mexico's Washington embassy, Alfredo Gutierrez Kirchner, at the EIR seminar on "Doing Business in 1979" in Washington last week.

Speaking to the Second Meeting of the Mexican Republic on Feb. 5, the anniversary of the adoption of Mexico's 1917 Constitution, President José López Portillo declared in emphatic terms that his nation will proceed as planned with its oil-for-development policy, and will play a leading role in industrial development for the entire developing sector. President López couched his speech — delivered to an elite government assembly composed of Mexico's governors, Supreme Court justices, cabinet ministers, and members of Congress — as a direct challenge to U.S. President Jimmy Carter, who arrives in Mexico for a state visit on Feb. 14 flushed with the madman's "success" of the Teng Hsiao-ping visit, and stuffed, according to all public indications, with a policy authored by Zbigniew Brzezinski and James Schlesinger that calls for Mexico to abandon its industrial development plans and cede control of its oil wealth to the U.S. for Anglo-American geopolitical provocations and incorporation into Schlesinger's planned "U.S. strategic reserve."

López's forceful stand places Mexico on a collision course with the Carter Administration, and in the forefront of

Mexico's national energy grid

- KEY**
- oil pipeline in operation or under construction
 - gas pipeline in operation or under construction
 - national gas trunkline (to be completed March, 1979)



international efforts to restore a semblance of reason and sanity to Washington policymaking. In this Special Report, we report on the opportunities which will be available if — contrary to the Carter Administration — Mexico succeeds in its development plans, and we review the history of deteriorating U.S.-Mexican relations under Carter. Following: excerpts from President López's Feb. 5 speech.

Lopez: Mexico won't accept arbitrariness

Today I speak to you in the presence of and before the conscience of the Republic, in this year that already foreshadows what the Mexico of tomorrow will be, a Mexico open to the world, that increasingly participates in the world.

Let us understand, and let us grow accustomed to, the idea that — due to reasons of geography and resources — Mexico will acquire an increasingly important role in the history of humanity. Without patriotic or chauvinistic distortion, Mexico will achieve, whether we want it or not, whether we are aware of it or not, increasing importance. We must be prepared to

project our particularities as universalities....

Mexico is the prow, not the stern, sirs; Mexico moves forward.

There are those who are seized with fear about upcoming visits, ... frightened by the wealth that we don't yet know how to use, fearing arbitrariness or violence. To them I say: Neither Mexico as a nation, nor the world as such, is going to foster absurd arbitrariness. Violence is being eliminated. Our resources are our own, they are integral to our sense of our own nationality.

This nationality — I've said this many times, but it's pertinent to repeat it now — is delineated in that marvelous Article 3, the essence of our constitutional philosophy:

"We are Mexicans, who — without narrowness or hostility — are resolved to set forth our own problems, and solve them with our own resources, based upon our own identity, constantly striving for political and economic independence."

We have unearthed extraordinary resources, with

unquestionable importance for the world. We are conscious of this reality; it involves no mystery; we will solve our problems with our own resources.

I promise you, representatives of the Republic, thus will we maintain our economic independence and political independence. Let us have no fear of contact. We know what we want. Mexico today knows where it came from, where it is now, and where it wants to go.

You have heard, from among yourselves and from my collaborators, about the current situation of our Republic. We have ideas, ideas and plans. Consistent and structured plans capable of responding to the problems we confront.

And here before you, Governors, I want to declare that the use of our resources — and here I'm referring exclusively to our oil resources — will only be made for the purposes of the national interest; only that which serves the country; never distortions due to bilateral greed. Mexico will use its resources as it sees fit: exclusively for its own benefit. I am sure national unity will support this goal.

Only a higher, collective and generally observed reason could cause Mexico to deviate from or add to its oil production program. World opinion allows us to consider energy as the patrimony of humanity — to the extent we are all obliged and committed to consider it so by a new economic order — from the production process, through distribution to consumption. What we cannot allow is that specific interests disfigure systems of production. These systems belong to, and are at the service of, their respective nations. To the degree that we establish a higher order, we will try to agree on solutions to the energy supply needs of all countries, strong or weak. To us there is no difference between the needs of one or the other group. (But) only to the extent that a new system establishes these principles for everyone will we allow ourselves to participate in higher systems of production. This is my commitment to you.

...We of this generation have before us a great historic responsibility: to build a better Mexico. We are at a watershed. I call on the whole Republic to stand steadfast behind its institutions, its convictions and its actions.

It was like today governors and representatives of the legislative and judicial powers, that on the 5th of February (1917) our Republic met together. May it always remain united!

Carter's record on

United States-Mexico relations under the Carter Administration have been marked by steady deterioration. The reason: in contrast to oil-rich Mexico's own industrial goals, Carter policymakers such as Zbigniew Brzezinski and James Schlesinger view Mexico as a southern neighbor which must be kept in subservient backwardness as the United States' backyard.

Mexico's "friend" in an apparent bid for Mexican-American votes in 1980 — is promoting U.S. efforts to channel Mexico's oil wealth into labor-intensive "appropriate technologies" while absorbing the greater part of Mexican oil into the U.S. strategic reserve.

Given Mexico's commitment to industrialization, how do these deindustrializers hope to win? There are, of course, many pressure tactics. But the major one is the plans for sealing the U.S.-Mexico border. The pretext will be stopping the "hordes" of Mexicans looking for jobs in the U.S. — jobs made scarce in Mexico precisely by the anti-industry policies of Schlesinger, Brzezinski and Kennedy.

Sealing the border — a measure borrowed straight from Nazi Germany — would indeed create great social pressures within Mexico.

But if Schlesinger and Co. believe that this would guarantee their "Iran" scenario in Mexico, they are quite mistaken.

For one thing, unlike Iran, Mexico has a deeply rooted tradition of popular republican government which makes destabilizations of the present government far less possible than of the authoritarian Shah.

And Mexico has a major international alternative to the U.S. for cooperation in its development plans. When French President Giscard d'Estaing arrives in Mexico Feb. 28, two weeks after Carter, he comes as head of the EEC and top representative of the European Monetary System (EMS). Unlike Carter, who has yet to dispatch any ranking official to Mexico to prepare economic accords in advance of his trip, Giscard has sent his Industries Minister, the head of the Latin American division of the French nuclear program, and his Foreign Trade Minister, Jean Deniau (twice), to prepare his. Deniau is well-known as the sponsor of a proposal to create a \$100 billion fund, linked to EMS facilities, for financing European and Third World development projects involving advanced technology.

Below, we review step by step the downward slide in U.S.-Mexico relations since Jimmy Carter's election in 1976.

1976-1977

December 1976: A preview of Carter Administration policy toward Mexico is provided by Harvard University professor and Carter advisor, Daniel Bell. In an interview with the French weekly L'Express, Bell states: "Mexico is a country with a formidable demographic explosion.... The U.S. cannot absorb illegal immigrants anymore. An explosion can appear on our southern border which would force Carter to pull back certain units from Europe."

The same theme is also sounded by F. Ray Marshall in his