

## Dateline Mexico by Josefina Menendez

### 'Baucus Caucus' in gear

*Mexico faces a retreat of the North American Common Market proposal.*

**A**t a meeting in Washington that went largely unreported in U.S. and Mexican news media, a power-packed assemblage of business, labor, and government representatives initiated a new, higher level of organizing for a North American Common Market.

The informal name given to the group is the "Baucus Caucus," after Democratic Senator Max Baucus, the Montana legislator who has taken the lead in coordinating this effort. Last year he kicked off an amendment to the 1979 trade act which mandated a series of studies on U.S.-Mexico-Canada economic integration.

The idea of a common market itself has gone through several permutations, from the "North American Community" in Brzezinski's 1978 production, Presidential Review Memorandum 41, to Ronald Reagan's 1980 campaign for a "North American Accord."

At the July 25 Baucus Caucus, the discussion revolved around a "North American Economic Alliance." The heavyweights from business included the chief executive officers of some of the biggest U.S. multinationals; ARCO, Dow Chemical, Union Carbide, Borg-Warner, Ingersoll Rand, John Deere, GM, DuPont, Memorex, RCA, Eastern Airlines, Southern Pacific, and IBM. Top labor leaders present included William Winpisinger of the International Association of Machinists and Lane Kirkland

of the AFL-CIO. The presiding co-chairmen were Baucus and Sen. Peter Domenici (R-N.M.).

Baucus asked the business representatives to immediately set up a task force to "advise the administration of business views" and "give a push to bring the Mexican and Canadian private sectors in line," according to our sources.

The idea was to set up a "private sector promotional arm" for the trilateral alliance, complementing the control "Baucus Caucus" forces have established over the National Governors' Association and inside the American Congress itself.

The assembled executives fell one step short of this, however. A select group of eight was appointed to look a little harder at what would be the most advantageous way for the private sector to get involved and what kind of more permanent institutions were called for. Joint government-private sector task forces were also set up in three crucial areas of energy, agriculture, and petrochemicals. The eight met in Washington the week before Labor Day and their report is due out in September.

On the labor side, a confidential Congressional Research Service report on labor views on closer U.S.-Mexico-Canada cooperation is now in the mail to the caucus members.

Left glaringly out of the equation, however, is Mexico.

President López Portillo, as we reported in this column in May, delivered a blistering attack on the North American Common Market idea in his late May speech to the Canadian parliament.

Sources in the Baucus Caucus have indicated to us that they are fully aware of what López Portillo said. However they feel the issue of a "formal Common Market structure" is "three or four steps down the road."

Observers here in Mexico have noted that some of the Caucus's current hurry can be explained by a desire to put maximum pressure on López Portillo in the remaining year before his successor is chosen. They are hoping either to get Mexico's private sector to help them make an end-run around López Portillo's veto, or minimally assure that the new Mexican president come December 1982 will reconsider López Portillo's "no."

What these gentlemen seem to ignore is the deeper political environment in Mexico regarding relations with the United States. In the words of one *EIR* source here, "Mexico is not in a mood for playing footsie across the border, no matter what you choose to call it." He went on to explain that American strategic thinking is mistrusted in Mexico as never before, in the wake of the Rapid Deployment Force buildup and the unveiling of PD 59. And the vehemence of the President's veto severely dampens the ability of Mexican business forces to move publicly with the issue.

Expect more than polite demurrings from the Mexican side when the Baucus Caucusers come out of their huddle and try to pass the ball south of the border.