

## INTERNATIONAL

# Countdown on U.S.'s Mexico

## *Industrial development the issue on the eve of Carter's visit*

On Feb. 14, President Carter will make an official state visit to Mexico, a nation which has recently broken into the "big leagues" of oil production and possesses some of the biggest oil reserves in the world. All indications are that he will take with him a strategy for U.S.-Mexico relations which betokens one of the biggest foreign policy disasters of his administration.

While the Mexican government has repeatedly vowed that Mexico's expanding oil production is slated to underwrite Mexico's industrialization, the President's approach will amount to a blackmail scheme to secure Mexican oil for the U.S. while leaving that country in a state of maximum backwardness. (See EIR Vol. V, No. 50).

Most shameful, the Administration policy does not reflect any perception of U.S. long-term interests, but is being dictated in London, where efforts to prevent U.S.-Mexican relations based on mutual industrial development has been a historic preoccupation. Prognosticated the *London Economist* recently: Mexico's surging population represents "an almost impossible horde for Mexico's ruling establishment to control...most probably, within the next decade Mexico will have to become the United States' most pressing and intractable problem of foreign policy..."

But a series of executive seminars in the U.S. sponsored by this publication and covered as front page banner-headlined news in the Mexico City press, have introduced a vital new element into the heated question of U.S. policy toward Mexico.

On the eve of the first of the EIR seminars on "Doing Business in 1979: The European Monetary System and Mexican Oil" in New York last week, the semiofficial Mexican daily *El Nacional* published an extensive interview with *Executive Intelligence Review* Editor-in-Chief Fernando Quijano. Quijano stressed that during President Carter's Feb. 14 visit to Mexico, the U.S. must declare itself openly and unequivocally Mexico's partner in the massive industrialization projects now being drafted by the government of President Jose Lopez Portillo. This "oil-for-technology" framework will place America in line with its French, West German and Japanese allies, stated Quijano, and launch a powerful "success story" in North-South relations with the widest implications for worldwide economic development.

Five days after the New York conference, the Mexican daily *El*

*Diario de Mexico* published an even more extensive interview with the *EIR* editor, under a front page banner headline.

Knowledgeable observers view this prominent coverage as another in a series of important signals from Mexico to Washington indicating what U.S. policy approaches will — and will not — be welcome when Carter arrives in Mexico for some of the most important talks of his presidency.

### **Pressblitz**

The natural reaction of the U.S. population, as big press stories throughout last year brought news of Mexico's oil boom, is that there couldn't be better news for U.S.-Mexico relations. "We'll get some more oil, Mexico will develop its economy." It has taken a media blitz of extraordinary proportions over the past months, sponsored by the forces behind the Presidential Review Memorandum 41, the Administration policy document on Mexico, to sow the notion that Mexico's oil boom really brings more problems than benefits, and to present to Mexico only "hard line" and "soft line" choices for giving up their oil without industrial development. To date, the operation has been unfolding as follows:

"Oil for illegal aliens." The U.S. may have to make "concessions," states the PRM-41, in such areas as trade and immigration policy in order to induce Mexico to subsume its energy policy to U.S. needs.

Such "concessions" are pure blackmail. The PRM propagandists do not themselves call for closing the U.S.-Mexico border in order to stop Mexico labor seeking jobs; they slyly point to "others" who do, to portray their own oil grab "without totally sealing the border" as the "liberal alternative."

This "Mutt and Jeff" act was orchestrated with particular intensity just before Christmas. The House Select Committee on Population, chaired by Rep. James Scheuer (D-NY) proposed a six-point package of immigration crackdown measures, introduced with the battle-cry: "It would seem unthinkable for us not to make an intense, high-priority and well-funded effort to secure our border." Scheuer, concerned that even this formulation was not strong enough, wrote a separate cover letter urging the "firm, hard sealing of the border."

# policy

The *Washington Post*, which had been chosen by Brzezinski as his preference for leaking the PRM-41, immediately issued a ringing editorial. "We cannot agree" with Mr. Scheuer, said the *Post*, though the committee's recommendations are "unquestionably the lines that future policy must explore." Room must be kept open, intoned the *Post*, for the PRM-41 to "nail down future supplies from Mexico's newly and highly touted oil reserves."

The Rand Corporation, a California think-tank notorious for "limited" nuclear war scenarios and profiles of regional conflicts in the Third World, summed up their version of the "oil for aliens" threat in a recently released study which influenced the PRM formulation: "If interdependence means that Mexican workers have access to the labor markets of the U.S., by the same token, it means U.S. consumers have access to Mexico's oil and gas production."

**The great gas debate.** Schlesinger, with Carter in tow, is now saying that there is pressing need to conclude a gas deal with Mexico that he first derailed a year ago. "Long-term" Mexican oil and gas will be key, he says, but there is no hurry. Brzezinski and Kennedy, however, are up in arms: the gas deal must be concluded as a first order of business, and on Mexico's terms if necessary, in order to certify that relations are "improving" and clear the decks for further oil grab maneuvers.

When Schlesinger repeated his position in comments to New York analysts Jan. 9, the *Washington Post* castigated his "highly visible remarks... (which) are bound to complicate Carter's meetings with Lopez Portillo." The paper hurried to add, "senior administration officials" — widely taken to be a reference to Brzezinski — "were careful to say that Schlesinger's statements did not reflect Carter's position."

Kennedy in a speech in Boston the same day, slammed Schlesinger's stance.

A debate on policy toward Mexico? All sides are intent on harnessing Mexico to U.S. energy policy as tightly as possible to draw Mexico out of any possible link-up with the European Monetary Fund. Kennedy's euphemism for U.S. control is a "continent-wide gas market" involving the U.S., Mexico and Canada. Schlesinger's strategy is built on a synonymous concept of a "hemisphere-oriented energy policy." Brzezinski's PRM-14 rhetoric is

## 'Well-informed testimony'

*The following lead editorial appeared in the afternoon edition of Diario de Mexico on Jan. 15, commenting on their extensive interview with Fernando Quijano, Editor-in-Chief of the Executive Intelligence Review. The widely read paper, Mexico City's oldest, and a long-time supporter of Mexican government policy, carried the piece under the title "Hard Line."*

In an exclusive interview with our reporter Arturo R. Blancas, a top official of the respected New York financial publication the *Executive Intelligence Review*, offered concepts which without doubt throw considerable light on the present conjuncture between the United States and Mexico. On the basis of firsthand information he possesses, Fernando Quijano argues that the rise of Mexico cannot be held back and will take place no matter what the United States says or does and even against the will of the U.S.

Quijano sees with great clarity the possibility that Washington will even try to exert a hard line, which consists of employing all the power of past epochs in order to prevent "Mexico from becoming a second Japan just south of the border." It's as much as saying that by no means will massive industrialization of our country be permitted, because if that happened, Mexico would lose its status as a raw material supplier and would cease being an "emerging country," as Energy Secretary James Schlesinger contemptuously categorizes us. The testimony of Quijano is quite valid and especially well-informed and it aids us citizens in reaching a sound judgment on the situation and in knowing how to take a dignified nationalist position which provides the government with a base of support during its negotiations with the representative of the Empire ( a reference to President Carter's Feb. 14 trip to Mexico — ed.).

the same: a "North American community including Canada... would imply increased Mexican energy production."

**The Iran scenario.** U.S. readers have been deluged with warnings that "Mexico could be another Iran" if it does not choke off its industrialization and oil expansion programs in order to avoid "runaway inflation" and a "social explosion" (see below). Kennedy, who uses World Bank rhetoric to phrase his opposition to big industrial development in Mexico and other Third World areas, and Brzezinski, who frequently states he will not tolerate another Japan south of the border, agree fully that Mexico's industrialization plans must be sabotaged.

The "another Iran" scenario is their blatant warning of what will be unleashed if Mexico does not cooperate with the "limit on development" theme.

Maryland Sen. Charles Mathias promoted the "alternative"

policy initiative favored by Kennedy and Brzezinski in a *Washington Post* op-ed Jan. 15. The U. S. should force Mexico to adopt "large-scale labor intensive development programs in Mexico's rural areas." He then added a scarcely veiled borderclosing threat: "Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico."

#### What Mexico is saying

*Business Week*, in a mid-January cover story on Mexican oil, succinctly endorsed the essence of the false dichotomy now being presented to U. S. business factions to break interest in partnering Mexico's ambitious profitable development plans. We face a conflict, the weekly lies, between "U. S. interest in getting more Mexican oil" and an "even greater stake in Mexico's long-term stability," i.e., that large-scale growth and stability are irreconcilable.

But the Mexican government is ready to push oil development just as rapidly as it can arrange solid domestic development projects to absorb the growing revenues. In a press conference Jan. 4, President Lopez Portillo insisted that oil revenues will be pegged to what the country can "digest."

Far from posing a necessary limit to Mexico's oil expansion, as the *New York Times* and London's *Financial Times* wilfully misrepresented it, the Mexican president was posing a fundamental challenge to Mexico's potential foreign partners: 'can you provide the reliable and massive back-up which our development requires? Help us in bigger development deals, and we'll pump more oil.'

As *Executive Intelligence Review* editor Quijano told his New York *EIR* seminar audience Jan. 11, "Those who start with the question, 'how do we get Mexico's oil,' are precisely *not* going to get the oil. Those who start with a vision of what joint collaboration in development will mean — not just for Mexico but for the Third World as a whole — will find the oil is part of the deal."

— *Tim Rush*

## Who's saying: 'Mexico could be another Iran'?

The story that Mexico must cut back on its oil-financed growth "to avoid the fate of Iran" is an intelligence print-out — and threat — from "New Dark Ages," anti-industrial factions in Britain and the U. S. The major press conduits with this line follow:

"If the revolutionary unrest that's shaking Iran is not disturbing the sleep of Mexico's ruling establishment — and of policymakers in the United States, for that matter — it ought to be.

"The situations in Mexico and Iran obviously are not identical. . . . You don't have to be an expert, however, to figure out that sudden oil wealth could trigger the same kind of revolutionary ferment in Mexico that is now visible in Iran. . . .

"Considering the apparently huge size of Mexico's oil wealth, the country should have a bright future in the long run. But in the years just ahead the ruling establishment may be sitting on a time bomb very much like that which has exploded under the Shah of Iran."

Ernest Conine, *New York Post*, Dec. 21, 1978

"Will the new-found wealth cause instability among Mexico's 60 million population, as it has in Iran?"

— *London Economist*, Dec. 30, 1978

"(President Lopez Portillo's statement Jan. 4) reflects Mexico's deep awareness of the financial, economic and even political problems suffered by some major oil producers such as Iran, whose current turmoil stems in part from an inflation built by a rapid expansion of revenue."

— *New York Times* correspondent Alan Riding, Jan. 5, 1979

"The push-pull factors of social challenge and economic opportunity that could turn Mexico's oil boom into a dangerous explosion are already being felt. . . . The threat is this: if Mexico does not keep tight control both of what it earns and spends, it could blow the whole thing. . . . When will the time bomb explode? . . . The lesson of Iran, which went so far with its modernization that it alienated a traditionalist society, is all too current."

— Gilbert Lewthwaite, *Baltimore Sun*, page 1, Jan. 14, 1979

"The upheaval in Iran . . . has given warning of the social and political risks that Mexicans will run if they mismanage their oil windfall."

— *Business Week*, Jan. 15, 1979