

Giscard, Lopez summit: The EMS turns to the developing sector

Last week's meeting between French President Valéry Giscard d'Estaing and Mexican President José López Portillo in Mexico City is easily the most important summit thus far of 1979, and takes its place in a series of extraordinary diplomatic events, beginning in May 1978, which define the geometry of a new world economic order.

The core institution of the new order is the European Monetary System (EMS), put into place by Giscard and West German Chancellor Helmut Schmidt in July 1978 in the wake of Schmidt's historic agreements with Soviet President Leonid Brezhnev in Bonn two months earlier. Thus, the basis for an "East-West" axis for development was firmly established.

The importance of the Feb. 28-March 3 Mexico summit lies in the EMS-centered new order now rapidly and boldly moving to consolidate a North-South axis as well. Yet nowhere in the American press were these critical developments reported.

The two Presidents repeatedly stressed that the basis for relations between the advanced sector (North) and the developing world (South) must be transfer of capital goods, nuclear, and other advanced technology to the Third World, and generalized policies of science and progress.

The final communiqué of the López-Giscard summit was a virtual economic manifesto dedicated to this conception and major economic deals were signed in the course of the visit.

At the same time, the two leaders warned that the alternative to this new world economic order is nothing short of "apocalypse." Emerging from an initial review of world conflict points, including the Far East and the

Mideast, López Portillo warned that "the horsemen of the apocalypse are galloping." It is not a question of an accumulation of separate problems, he stated; there are "brutal underlying energies" at work driving the world into conflagration. It is either "the beginning of an era or the end of all eras."

López Portillo went on to explain that this new order cannot be based on "partial solutions," it must be based on a global perspective — a "Grand Conception" — in which "reason illuminates reality."

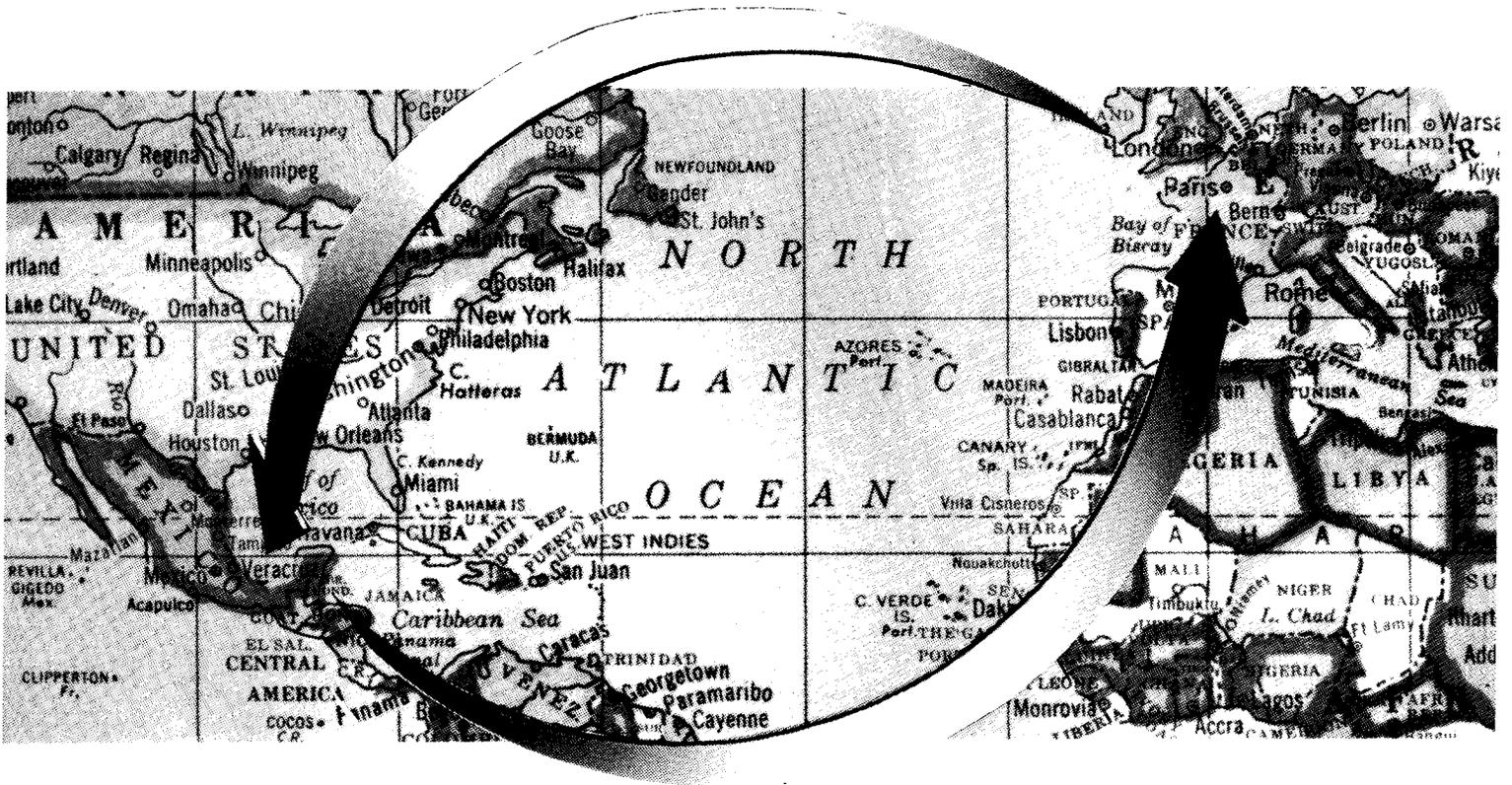
Giscard traced this quality of world statecraft back to the time of Alexander the Great and called for a resurgence of "humanist societies" based on science and advancing technology today.

This is a "great task," Giscard said, "the construction of the world.... I reflect upon it with joy" and welcome collaboration with "you, Mr. President ... as we renew our work together," referring to Giscard and López Portillo's personal collaboration and friendship dating back to the early 1970s when both were finance ministers of their respective countries.

Contrast with Carter visit

The contrast between Giscard's trip to Mexico and Jimmy Carter's visit two weeks earlier, is one to sadden and enrage all Americans. Carter, after three months of intense "policy review" among high circles of his Administration, took with him one strategic aim: to take Mexican oil out of the service of the Grand Design conceptions advanced by López Portillo and the EMS forces, and instead to incorporate Mexico's oil as a U.S. strategic reserve for war.

The U.S. President offered not one word about U.S.



collaboration with Mexico in its giant industrialization effort, much less about U.S.-Mexico economic cooperation serving broader North-South relations and development.

Not one economic deal was signed during the Feb. 14-16 Carter visit. The only agreements of any sort to emerge were the agreement to reinstate talks on a natural gas deal, a promise that the United States would stop delaying its obligations to enrich Mexican uranium, and the agreement to schedule another summit for early summer.

Ironically, it is the "EMS method" rather than Carter's pressure and blackmail tactics which is already paying off in the possibility of greater production of Mexican oil. President López Portillo has placed two conditions on continued oil expansion: progress toward the new economic order in which oil is not a weapon but "inseparable from development," and second, fully developed Mexican industrial and infrastructure projects to absorb the increased oil revenue.

Both conditions were met by Giscard's visit and, the day after Giscard left, Mexico Petroleos Mexicanos (Pemex) Director Jorge Diaz Serrano announced during a tour of one of Mexico's premier petrochemical complexes that "we are looking at the necessity of increasing production" beyond the 1980 2.25 million barrel per day target levels. For the first time ever, he suggested the next possible production goal of 4 million barrels a day and declared that the decision would be made in early 1980.

This contrast between the Carter and Giscard trips has been systematically and shockingly denied to the

U.S. population. Aside from a short, disorienting article in one edition of the *New York Times*, not a word on the Giscard visit was reported in the major national press.

Much of this same U.S. press argued that the lesson of Carter's fiasco in Mexico was that he "wasn't hard enough" in trying to grab the oil. Numerous accounts hinted at redoubled U.S. pressure against Mexico's undocumented workers in the United States.

In the following sections, the *Executive Intelligence Review* presents in depth, the economic accords worked out, extensive excerpts from all major speeches and the final communiqué, a review of EMS-centered summitry over the past nine months, plus a quick background report on the historic 1964 trip to Mexico of Gen. Charles de Gaulle, referred to repeatedly by both leaders last week as the precedent for their efforts.

We present this record in particular detail, in view of the press blackout otherwise prevailing in the U.S.

But we also present the record in detail with an eye to Third World readers who have at time expressed doubt about the commitment of the EMS members to extend full-scale development policies on a North-South basis, and who have questioned whether the EMS indeed provides the alternative to the antidevelopment International Monetary Fund.

That question can now be answered in the affirmative. With Giscard's visit to Mexico, the full depth of the commitment to high-technology industrialization in the Third World as the core element of the new world economic order now takes on its full dimension.

— Tim Rush