

Dateline Mexico by Josefina Menendez

López Portillo travels south

The Mexican president is engaging in Latin American diplomacy to try to stabilize that chaotic continent. He proposes joint development projects as his central strategy.

President José López Portillo left Mexico earlier this week on a ten-day diplomatic trip. He will make visits to five Central and Latin American countries, including Cuba.

As the Mexican President himself explained, the objective of the trip is to contribute to the stability of the volatile area south of Mexico by initiating concrete economic development projects in the region.

There are two areas that López Portillo is especially concerned about, according to high-level administration sources: the Central American tinderbox, which over the past year has reached the boiling point of virtual civil war and which now threatens to spill over into Mexico itself; and the Southern Cone, long a bastion of military dictatorships and potential military conflict.

After a brief stopover in Panama, the Mexican president arrived in Brazil on July 27. High Mexican officials are known to be seriously concerned about the recently consummated economic and political "marriage" between Brazil and Argentina. They fear that, with the blessing of the Reagan camp in the U.S., it will solidify into a hard-line alliance of reactionary dictatorships, with an eye on spreading its influence throughout the continent.

In Brazil, López Portillo sought to open other avenues for that nation by proposing extensive bilateral economic cooperation in such

areas as sulfur processing, petroleum and mining iron ore.

The final communiqué of the talks includes a provision for an increase of Mexican exports of oil to Brazil from 20,000 barrels per day to 50,000 barrels per day by 1981—indicating that the talks were at least partially successful. But the Mexican president also endorsed Brazil's economically suicidal synthetic gasohol program when he reported that "this topic will be particularly important in our conversations and accords." Brazil's gasohol program is modeled on similar synthetic resource projects pioneered in Nazi Germany.

Outside of Cuba, perhaps the most significant stop in López Portillo's itinerary will be in the Central American nation of Costa Rica. Here the Mexican president will announce a long-awaited Mexican-Venezuelan plan to jointly supply oil to all of Central America, with preferential credit terms.

López Portillo's thinking on this count is to try to stabilize Central America—where Mexico has vital strategic interests, and which is increasingly engulfed in civil wars. The approach is to relieve some of the economic pressure created by the region's growing oil import bill.

But the proposal is actually a long-standing American Trojan horse, conduited through the Brzezinski-allied government of Vene-

zuela, to try to embroil Mexico in a multilateral plan to "stabilize" Central America—in alliance with Venezuela and the United States.

López Portillo's acquiescence to this scheme was all the more surprising to knowledgeable observers in light of Mexico's privately expressed distaste for Venezuela's overall role in the international energy debate.

Some observers have reported to *EIR* that, back in 1978 when Venezuela's President Carlos Andrés Pérez proposed to the annual OPEC meeting that a fund be created to recycle petrodollars into Third World debt repayment, Mexican officials responded privately to the plan with the most extreme hostility. Sarcastic comments abounded in Mexico at the time regarding Pérez's lack of sophistication in matters of international finance.

Now the tables have been turned.

Mexico's pronounced concern over Central American stability is being successfully manipulated in order to set up a regional bandaid operation which would essentially be a foot in the door to subjecting Mexico's sovereign oil decisions to a multilateral compact.

A more frank and revealing version of this same energy plan was presented earlier this month to a Washington meeting of the Mexican-American Chamber of Commerce by New Mexico's Sen. Peter Domenici.

Domenici called for Mexico, Canada, and the U.S. to unite around "the implementation of a program of energy aid to the countries of Central America," arguing that they all have a common interest in the area.