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Cuba, a member of Comecon. A functioning SELA would supersede the limitations of conflicting Andean Pact and Southern Cone geopolitical "blocs" by presenting crucially needed trade opportunities to countries like Brazil and Argentina.

Industrialization of Venezuela

For the obvious reason that Venezeula has almost $8 billion in reserves, Perez enjoys an advantage uncommon in Latin America: Venezuela cannot be coerced with the threat of a credit cutoff. But until recently, the Perez government was isolated from authentic pro-development currents internationally by the way in which these reserves were utilized, namely, Venezuelan petrodollars were recycled back into New York banks, the Eurodollar market, and the International Monetary Fund and related institutions. Whatever funds were employed regionally were used for the sole purpose of averting bankruptcies on outstanding dollar debts, particularly among Central American and Caribbean countries. Internally, investment was geared primarily toward mammoth raw materials projects along the lines of Secretary of State Henry Kissinger's proposed International Resources bank (IRB), a monetarist scheme inimical to the development of any self-subsisting industrial base.

Venezuela's present five-year program, the V Plan, was designed by the World Bank directly on IRB premises. A limited amount of petrodollars was to be invested in brute extraction ventures financed mostly by dollar loans. The bulk of Venezuelan exchange reserves were to be left untouched as a prop for the dollar monetary system, while the nation was slated to be plunged into a severe balance of payments deficit by 1980. Meanwhile, the remainder of the economy was to be subjected to labor intensive projects in order to avoid "unnecessary" capital investment.

Perez, however, is effectively throwing all these well-laid plans out of the window. He has discarded the primary feature of the plan by using Venezuela's financial resources and oil for capital intensive development. This was vividly expressed in the unceremonious announcement this week of the resignation of Planning Minister Gumersindo Rodriguez, a World Bank official.

It is no coincidence that within the past seven days the government has announced it will double its capital investment in the oil industry next year, and intends to pour $5 billion into developing new oil fields and constructing new refineries over the next five years. Dr. Felix Rossi-Guerrero, petroleum counselor at the Venezuelan Embassy in Washington, D.C., pointed out to the Journal of Commerce this week that capital investment in this sector during the period of 1970-74, before it was nationalized, totalled only $1.5 billion. "We may have some surprises up our sleeve," he said. At the same time, the Venezuelan Development Corporation (CVF) unveiled a $500 million industrial development program for next year, in what is hailed as a "new chapter" for the totally-revamped CVF. The program includes a credit line with Lloyds Bank of London for almost $100 million to enable both the public and private sectors to acquire British capital goods. Other credits are being arranged with the EEC as well. Similarly, bids of up to $1.7 billion were received from various international industrial consortia this week for increasing the capacity of the Guri hydroelectric project in the iron and steel region of Bolivar. When completed, the complex will be the second largest of its kind in the world. The turbines have already been purchased from Japan.

Coke for Venezuela's steel industry, scheduled to increase four-fold by 1980, will be provided by reactivated coal mines, according to a feasibility study published this week by C.A. Minas de Naricual. These mines had been idle since the 1950s, and already a team of Czechoslovakian technicians has visited Venezuela to discuss the development of new fields. Finally, the CVF announced that Iran and Japan will be participating in a $200 million sugar refining project.

"At this moment we are large importers of capital goods," declared the minister of the petrodollar fund, Quero Morales, in Paris Dec. 14 following meetings with top French officials and industrialists. This quest, backed up by Venezuelan agreements to supply oil to governments anxious to bypass the Rockefeller "Seven Sisters" multinationals, is linking the nation's economic progress directly to the emerging core of trade networks taking shape around Europe. Great Britain, through the British National Oil Corporation, is actively helping Venezuela in exploration of promising off-shore sites. To reduce dependence on tankers from U.S. oil multinationals, Venezuela is negotiating extensive arrangements with Japan, Sweden, Yugoslavia, Finland, and Britain for the construction of a Venezuelan fleet and shipyards. Simultaneously, the Comecon, particularly the Soviet Union, is working out arrangements for ensuring Venezuela's technological independence.

Mexico: Battle for Land Close to Civil War; Debt Question Pressing

Exclusive to NSIPS

Dec. 17 (NSIPS) — The principal lawyer of the large landowners (latifundists) of the Northwest region of Mexico, Ignacio Burgoa, announced Dec. 10 that an administrative judge in Mexico City had invalidated the Nov. 19 land expropriation decree of then-president Luis Echeverria, which distributed 100,000 hectares to 8,000 families in the Yaqui Valley of Sonora for collective farms.

Over the following three days the latifundists and their business allies centered in Monterrey applauded the decision through the press. Silence from the Office of President José López Portillo and the ministry of Agrarian Reform was taken as tacit acquiescence to the roll-back of Echeverria's land reform efforts.

But by mid-week the voices of peasant leaders and their allies in Congress had broken through the press. In

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the Congress, peasant spokesmen attacked the legal reasoning behind the judge's ruling, which depended on an extreme interpretation of controversial injunction provisions of the Mexican Constitution. Peasant leaders virtually unanimously declared: "The lands will never be handed back." Relying on the strength of this opposition, Senator Jorge Cruikshank of the Popular Socialist Party broke away from previous uncritical support for Lopez to warn the president that reneging on Echeverria's decree would mean "civil war."

However, on the evening of Dec. 16 López Portillo's Agrarian Reform Minister Jorge Rojo Lugo, temporarily averted this danger by declaring categorically that "there is no danger that the decree by ex-President Echeverria will be revoked...the decree is within the law." Rojo Lugo made the statement following a meeting between López Portillo and the Pacto de Ocampo peasant confederation leaders.

Although centrist López Portillo has thus slightly relieved the environment of growing confrontation which existed throughout the week, it is evident that he is still attempting to conciliate the right-wing forces. A newspaper on the day following the Agrarian Minister's statements reported that the latifundists have received over 100 million pesos in payment for land which Echeverria had expropriated without compensation. Since the Dec. 16 statements by Rojo Lugo the right wing has continued its attacks on ex-President Echeverria's land distribution decree and has issued threats of economic sabotage.

Behind the right wing's drive for confrontation with the peasant sector is their profound unease over being able to impose the levels of austerity which international monetary bodies are demanding.

Those who are more optimistic about imposing Chile-level austerity aare insisting that the foreign debt be paid no matter what. Miguel Angel Conchello of the Monterrey-financed National Action Party wrote a national column Dec. 16 explicitly upholding the policies of Hjalmar Schacht, Hitler's finance minister as the model for Mexico today.

Natural Resources Minister Andres Oteiza declared Dec. 14 that Mexico will "continue to pay its debts, as always." But a wire from the Cuban press service Prensa Latina the next day confirmed that López has been meeting with high finance and Foreign Ministry officials to coordinate efforts to reschedule part of the enormous $28 billion foreign debt. It is widely rumored that rescheduling is already the case for certain private sector firms such as the steel giant Fundidora Monterrey.

To date, however, there has been unity within government planning circles that exports must be encouraged at all costs to build up foreign exchange. The head of the showcase steelworks from the Echeverria period, Las Truchas, has declared that all of the mill's output will be for export. The new austerity budget announced Dec. 15 includes substantial increases in oil investment, in order to rapidly increase oil exports. The U.S. has shown keen interest in using Mexican oil as a wedge to break open the Organization of Petroleum Exporting Countries (OPEC).

Manley Wins Presidential Election in Jamaica

Exclusive to NSIPS

Dec. 16 (NSIPS) — Jamaican Prime Minister Michael Manley won reelection as Prime Minister today. Manley, who has been a proponent of the New International Economic Order, won over 58 per cent of the unexpectedly high voter turnout. With 80 per cent of the vote counted Manley's People's National Party (PNP) had received 395,660 votes while the pro-capitalist opposition Jamaican Labour Party (JLP) received 294,967. The PNP is expected to win 48 of the 60 seats in the House of Representatives.

In his first remarks after learning of his landslide electoral victory, Manley described the vote as a "triumph for socialism and for the fight of the underdeveloped nations." "The people have given us their vote of confidence", said Manley, affirming that his government would continue its "third worldist" policies. Afterwards, Manley declared "We wish to be friends with all willing to accept us as we are, on our terms." JLP candidate Seaga, who had devoted the bulk of his campaign to charging that Manley was cultivating political ties with Cuba as a means of "establishing Communism" in Jamaica, conceded defeat with the statement, "I think we must accept it in light of the fact that people had a clearcut choice before them."

Most pre-election day coverage on Jamaica which appeared in the international press was filled with dire warnings of violence which was expected to taint the election results. The warnings, however, proved unwarranted, as the stringent security conditions imposed by Manley throughout the island guaranteed a peaceful and free election process.

The situation now facing Manley is a difficult one. Economic sabotage directed against the vulnerable Jamaican economy is expected as Manley uses his popular mandate to carry through his pledges of expanded relations with Cuba and with other progressive Caribbean nations. The violent destabilization tactics used by Seaga's JLP goons before and during the election campaign are certain to be stepped up while the attempted assassination of Manley himself becomes an increasingly likely option for those interests threatened by Manley's outspoken role in the Third World fight for debt moratorium and a new world international order.

According to a pre-election article written by Shepherd Bliss, an associate of the Institute for Policy Studies, in the American Maoist newspaper, *The Guardian*, "There has been little thinking about what to do if Manley wins. No one seems to have considered that he may be assassinated." Leaving no doubt as to who the assassins would be, Bliss notes, "Among English-speaking Caribbean countries, Jamaica's direction is the most important for U.S. interest to control...The situation in Jamaica bears considerable importance for the entire Caribbean, as Chile marked a turning point throughout Latin America."