

# Mexico Leads Third World Into Grand Design

Emerging from talks with Mexican Foreign Minister Santiago Roel in Paris July 17, French Prime Minister Raymond Barre declared to the press that the two countries were resuming close relations "after 14 years" of relative neglect, and that with Giscard's scheduled early 1979 trip to Mexico, relations could become "even spectacular." The two nations had just signed far-reaching trade accords, centering on transfer of technology, with emphasis on nuclear energy collaboration.

On the same day, Roel inaugurated an extraordinary three-day meeting of Mexico's full diplomatic corps in Europe, called together in Paris, to, in Roel's words, "analyze the possibility of increasing our links with the Common Market, particularly now that it has just held its meeting in Bremen."

On July 18 Mexican central bank head Gustavo Romero Kolbeck revived the groundbreaking \$15 billion capital-goods fund proposal that Mexican Finance Minister Ibarra first proposed to the International Monetary Fund and World Bank in late April. Speaking to Mexico's Academy of Law, Kolbeck urged international acceptance of the proposal in the same terms as Ibarra had done—as a way to bypass short-term debt-strangulation of Third World productive capacity in a fashion which simultaneously helps the advanced sector through high-technology exports.

These events outline a pattern of striking diplomatic initiatives which are bringing the underdeveloped nations into the agreements for global economic expansion worked out at the Bremen and Bonn summits. Mexican-French relations are serving as a model for the broad-based partnership between the advanced sector and the Third World integral to the Grand Design conception, while Spain is assuming a key role as a "bridge" between the rest of Europe and Spanish-speaking Latin America — with Mexico in the lead on the Latin American side.

The special quality of the French role is of particular note. When Barre spoke of renewed close relations "after 14 years," he was referring back to the historic 1964 trip of Charles de Gaulle to Mexico, where the French president delivered his famous "we will march hand in hand" speech to one of the largest crowds ever to pack Mexico City's central square. French Foreign Minister de Guiringaud was even more direct in his remarks confirming Giscard's trip to Mexico in early 1979. The strengthening of relations between France and Mexico, he said on July 14, is a revitalization of the "friendship initiated by the visit of President de Gaulle." De Gaulle's 1964 Latin American offensive, which he undertook with West German Chancellor Adenauer, marked the culmination of the last European effort to create a development-based international monetary system.

These references serve today as a metaphor for renewing the effort to bring the entirety of the Third World into the Grand Design.

## *Nuclear Emphasis*

Mexico's nuclear future led all the bilateral discussions in the two stops on Roel's two-week trip to London and Paris. Roel announced at the start that the principal goal of the trip was to arrange guaranteed supplies of enriched uranium for Mexico's nuclear program. In mid-trip, he quantified just how large the minimum Mexican expansion will be: 20 nuclear reactors by the year 2000. An offer to become a partner in nuclear enterprises with the Europeans that is being taken very seriously.

Discussions in London centered around long-term deals with Urenco, the British-Dutch-German nuclear consortium. Mexico made it clear that it wished to be treated "not as a client" but "as a partner." Dr. Francisco Vizcaino Murray, director of Mexico's nuclear energy institute handling nuclear negotiations with Roel in both capitals, declared that Mexico expects to be able to confirm over 500,000 tons of uranium reserves over the next 10 years. This would put Mexico among the world's leading uranium-producing countries.

Vizcaino also discussed Mexico's interest in carrying out three-way deals, according to the *Financial Times* of London. "For instance, Mexico could ship oil to South American markets on behalf of European oil companies, and receive in return European nuclear know-how and facilities, paid for by the South American purchaser of Mexican oil," the *Times* reported. Such deals would lock oil exports into advanced technology trade, and aid in Mexico's intention not to pour its oil straight into debt payments.

Across the Channel, the Mexican delegation met their French counterparts for the first convening of the French-Mexican Joint Commission since 1964. The two nations discussed terms for the sale of Mexican uranium and oil to France in exchange for nuclear technology, machine tools, and other advanced technology, including transport equipment connected with the French engineering contract to build an extension of the Mexico City subway. Barre, in his July 17 press conference, announced that France has agreed to buy more oil from Mexico as part of these oil-for-technology deals.

But more important, the high French officials involved in the talks referred more broadly to Mexico's associate status in the building of economic ties between Europe and Latin America, to "the new diplomatic opening of President Lopez Portillo," and to the "new dimensions of cooperation" beyond simple trade agreements.

As the French are also well aware, Lopez Portillo's major trip to the Soviet Union and Bulgaria in late May provided a powerful impulse to strengthened Mexico-

Comecon relations. Mexico thus stands in a position to combine East and West development efforts, along precisely the lines signalled so strongly by President Giscard last week.

#### *The Spanish Connection*

Mexico and France are working closely to expand the kind of alliance their bilateral relations exemplify into a broader network of agreements, centering on Spain. Giscard d'Estaing gave a major push to this arrangement when, during his July 1-2 state visit to Spain, he called for the incorporation of Spain into the European Economic Community as a "bridge" to Latin America for all of Western Europe—a conception first put forward by Mexican President Lopez Portillo during his groundbreaking state visit to Spain in October 1977.

Mexican parliamentary deputy Victor Manzanilla Shaeffer, president of the Latin American Parliament, announced the following week that an "Iberoamerican parliament" is now being formed, to be headquartered in Cadiz. He linked this initiative to the possibility of opening channels "for (President) Carter to end the trade and economic blockade of Cuba."

Simultaneously, Mexican Undersecretary of Trade Jorge Tamayo arrived in Madrid to conclude

arrangements for the establishment of a new "Mexico-Spain Trade Committee."

Other key Latin American countries are being drawn into the arrangements. Venezuela is Spain's number-one trading partner, and Venezuela's development efforts are closely tied to manpower training programs in Spain. Argentina will be the host country for a state visit by Spanish Prime Minister Adolfo Suarez at the end of the year.

Colombia's president-elect Julio César Turbay Ayala spent a week in Spain, overlapping Giscard's visit, in a major stopover of a preinaugural trip to Europe in early July.

Establishing banking connections to funnel large flows of investments and trade credits into Latin America is also being mediated in large part through Spain. Spanish banking operations in Latin America, including Puerto Rico, have substantially expanded in the recent period. With West German prompting, Spain has just relaxed its banking laws to facilitate both European and Arab capital flows into the region. In a parallel move, the Union of French and Arab Banks announced July 4 that it is planning major expansion of its Latin American operations, now centered in Mexico, Argentina, Brazil and Venezuela.

## Japan To Play Key Role In Drive For World Peace

*In an extraordinary interview with the Christian Science Monitor published July 19, Japan's Foreign Minister Sunao Sonoda stated that his country wants to play a leading role in securing a long-lasting peace for the world, including possible mediation in the Sino-Soviet dispute. This is a humanist commitment, he said, emphasizing that Japan will never again go off this course, but instead will spend its money and creative capacities to keep the world prosperous and out of war.*

*Sonoda had many harsh words for China, and seriously questioned whether Japan and China can reach agreement on a peace and friendship treaty now under negotiation, given the differences between the two countries. His statements were somewhat out of character, as Sonoda is widely believed to favor an early conclusion to the negotiations with China. However, the government of Prime Minister Takeo Fukuda has recently adopted a very tough negotiating stance toward Peking. Two weeks ago, Fukuda declared that any progress in the talks with China depends on flexibility from the Chinese side. Sonoda is scheduled to leave for Peking July 21 to resume the treaty talks.*

*Excerpts from the Christian Science Monitor article, which ran under the title "Sonoda Rivets Japan to Peace Goal, Foreign Minister Resists Peking Maneuver," follow.*

"When thinking of the world's future, China operates on

the premise that some day war is inevitable. We in Japan believe that we must do everything possible to avert war."

With these words, in an interview earlier this month in his spacious Tokyo office, Japanese Foreign Minister Sunao Sonoda underscored perhaps the basic difference between his country and China, where he is going July 21 to negotiate a treaty of peace and friendship.

Mr. Sonoda had some strong words for the Chinese, who have been insisting that the treaty contain an "anti-hegemony" clause before they will sign it. The Russians say the clause is aimed against them, and Japan wants to dilute it with language making clear it is not directed at any specific country . . . .

"China . . . talks of Soviet hegemony now because the Soviets are strong and China is weak. But when China becomes strong, will she commit hegemony-seeking acts against those weaker than herself? That is the most important question I shall be going to discuss with the Chinese. Looking at China's attitude toward the Vietnam-Cambodia dispute, I shall not be able to refrain from asking the Chinese how they really feel."

No matter how strong the Soviet Union is, Mr. Sonoda continued, "if it commits a hegemonistic act, I will by all means oppose it. But to label that country in advance as hegemonistic and to take hostile action against it in collaboration with China is a road that must emphatically be avoided."