

'Damage control': the Arden House meeting on U.S.-Mexico relations

by Tim Rush

It used to be that no matter how bad U.S.-Mexican relations got, opinion makers on both sides of the border invoked a good neighbor spirit and at least went through the motions of making suggestions to improve relations in the future.

Not any longer. At a time when relations are at their worst level since at least the 1938 oil-nationalization period, the influentials who gathered at Columbia University's Arden House estate Oct. 30 to Nov. 2 concurred that their most important message was that the current problems are intractable. No improvement in relations will be possible for a number of years to come.

The name of the new concept is "damage control," and it appeared in many guises at the American Assembly meeting held at this retreat 50 miles north of New York City last week.

Former U.S. ambassador to Mexico Robert McBride, director of the meeting, explained the term in his lead-off contribution to the gathering's background volume of studies: "Perhaps the best prospects are to retreat from current issues, prevent further deterioration, eschew harmful and unnecessary verbiage . . . and wait for another day." A fellow senior U.S. diplomat phrased it this way in one of the discussion groups: "What will unite us is a commonality of problems, not a commonality of interests."

Entirely absent from the proceedings was even token recognition of the persisting, guiding conception of this publication regarding U.S.-Mexico affairs: Mexico, wishing to industrialize with high technology, and America, requiring vast markets for high-technology exports if it wishes to break loose from its current economic decay, have one of the most powerful "commonality of interests" imaginable, and excellent prospects for improving relations.

Liberal crisis brokers

The 65 participants, from high levels of government, academia, business and the press on both sides of the border (see partial list below) saw themselves, in the

main, as representatives of "liberal" policy establishments, in the mode of the Council on Foreign Relations in New York.

This accounted for the tenor of the principal conclusions:

Energy: Mexico should go slow on oil development, to avoid becoming an "oil country" with uncontrollable inflationary pressures. For its part, the U.S. must not "consider Mexico as an energy reserve."

Trade: Though each government should "endeavor to minimize frictions," continuing trade conflict is unavoidable.

Immigration: "It would be premature to make a definitive policy choice" regarding the flow of undocumented Mexican workers to the United States. Whatever approach emerges, it should accept "U.S. needs for foreign labor and Mexican needs for jobs abroad . . ."

Delete the word 'growth'

But the insidious quality of the soft-line consensus was summed up in one small incident the final morning of deliberations. The draft final report called for each government to "facilitate rather than impede the growth" of the U.S.-Mexico border region, in an addendum to the trade section.

This was too much for a U.S. State Department and Council on Foreign Relations representative, who insisted that the word "growth" be deleted and "economic exchanges" substituted. A senior U.S. diplomat jumped to support the change, saying approvingly, "you mean quality of life, don't you?" in a stage whisper that could be heard across the room. The change was accepted without a murmur of dissent.

The same pervasive Club of Rome ideology dominated consideration of the issue of labor-intensive versus capital-intensive growth to aid the proposed "economic exchanges." This was the astounding language used in the draft version of the final report:

"Trade might be fostered in new directions if each country took advantage of its comparative strengths

Who was at Arden House

The 65 participants in the "Binational American Assembly on Mexican-American Relations" Oct. 30 to Nov. 2 fell into three broad groups.

On the top were a select group setting the atmosphere and steering the agenda. These included from the U.S. side two former U.S. ambassadors to Mexico, Robert McBride and Joseph John Jova, and the former assistant secretary of state for Inter-American Affairs, Viron Vaky. On the Mexican side: Adrian Lajous, director of the Banco Nacional de Comercio Exterior, Andres Rozental, North American director of the Mexican foreign ministry, and Javier Baz, chief-of-staff for Mexico's former president and tourism czar, Miguel Aleman.

Below them was a second group of "ideologues" who served as foils for those shaping the "consensus." The leftist "hardliners" on the Mexican side were headed by Olga Pellicer de Brody of the Colegio de Mexico, Samuel del Villar, also of the Colegio, and Adolfo Aguilar Zinzer of Luis Echeverría's Third World Center (Ceestem) in Mexico City.

The chief spokesman for anti-Mexican hardliner sentiment on the U.S. side was Guy Erb, formerly national security staffer on Mexico under Brzezinski and currently deputy director of the International Development Cooperation Agency in Washington.

The "target population" of these manipulations, selected prominent government, labor, business, and academic representatives, made up the bulk of the rest. Among these from the Mexican side were three advisers to the Mexican president's office; a high official in Mexico's labor ministry; the private secretary to Monterrey governor Martinez Dominguez; Mexican businessmen from the border area; and on the U.S. side, an official of the League of United Latin American Citizens; a prospective adviser to a Reagan administration on border policy; top-level executives from General Motors and General Electric; and the top Hispanic executive in the Communications Workers of America.

Almost inseparable throughout the proceedings—earning them the nickname of the "Three Musketeers"—were Andres Rozental of Mexico's foreign ministry; Alan Riding, the British correspondent working for the *New York Times* in Mexico, and Adolfo Aguilar of the Ceestem.

under a new and dynamic system of the international division of labor developing some labor-intensive activities in Mexico and some capital-intensive ones in the U.S."

According to several sources, the author of the passage was former U.S. ambassador to Mexico Joseph John Jova. It was allowed to stand in the original drafting session by Mexico's Andres Rozental, director of North American Affairs for the Foreign Ministry.

When it reached the final editing plenary, however, the odor of traditional British imperialist policy was just too strong. Several outraged participants tacked on the phrase, "as well as selected intensive capital goods industries in Mexico." But symptomatically, the focus on "labor-intensive activities" as the basic mode of Mexican development remained intact. The mention of U.S. capital-intensive development was deleted entirely. No voice was raised in defense of a partnership of high-technology development, though several participants privately expressed agreement with such a program.

Ultimate goals

It was a meeting designed to "shape the opinions of the opinion makers."

In some cases the soft "brainwashing" operations were focused on creating consensus around specific policy proposals. An example was the call, appearing in the final report, for extending border assembly plant operations to full-scale integrated "production-sharing" facilities. Though it slipped through quietly, the concept is sure to run into difficulties with higher-level Mexican officials concerned about the security implications of the arrangement.

But the key manipulation involved the implications of "damage control" itself. As former U.S. undersecretary of state and current director of the Georgetown Foreign Service School, Viron "Pete" Vaky, confided to an *EIR* correspondent, "We can't use the words 'common market' here, but, yes, that's definitely the direction things are going in."

Mexico has firmly shut the door on integrating its economy into a U.S.-dominated North American entity; but will it be able to hold out after current problems are allowed to sufficiently fester under a "damage control" regime?

Prominent Stanford economist Clark Reynolds, positing as the great "social reform" critic of allegedly elitist Mexican development policy, added the final touch to the threatening overtones of the "damage control" doctrine. He let drop the *realpolitik* observation that Mexico's oil, particularly its Campeche Gulf installations, were indefensible and there for the taking by a stronger power. His comment almost caused heart failure in several State Department officers present—not for its content but for its baldness.