

Alexander Haig attempts to sabotage the Reagan-López Portillo summit meeting

by Elsa Ennis and Timothy Rush

In the weeks before the highly successful Jan. 5, 1981 meeting between Ronald Reagan and Mexican President José López Portillo, certain political forces on either side of the border attempted to disrupt the talks by introducing one divisive issue after another. At the time, *EIR* identified those forces as Foreign Minister Jorge Castañeda and his associates on the Mexican side, and National Security Adviser Richard Allen and Secretary of State Alexander Haig on the American side. We pointed out the worsening Salvadoran civil war as one such deliberate attempt to separate the two heads of state, and denounced the proposed "North American Accord" as a disruptive red herring.

Reagan and López Portillo sidestepped virtually every trap placed in their way last January, and since then Reagan's top advisers have wisely backpedaled from their earlier support of the North American Accord.

But there are still pitfalls on the way to the June 8-9 meeting, pitfalls again actively cultivated by Castañeda and Haig.

For example, a top Haig adviser has told *EIR* that Haig, Assistant Secretary for Inter-American Affairs Thomas Enders, NSC Latin American staffer Roger Fontaine, and special envoy Vernon Walters are working together to undermine Mexican industrialization efforts and destabilize President López Portillo in the process.

"If Mexico doesn't slow its growth down," the adviser told *EIR*, "the top will blow off. They have an explosive economic situation. Look at all the key indicators: it's two-to-one worse than El Salvador was before it blew." The adviser concurred with the analysis of the Wharton School of Business: that growth leads to inflation which in turn will cause Mexico's "Iranization," and that the rate of economic development should therefore be slowed. "I think Wharton's is a pretty balanced look at Mexico," Haig's man noted.

As for special problem areas, the adviser employed phrasing identical to that of a London *Economist* handbook on how to destabilize Mexico (see box), and singled

out Mexico City as "a very volatile, dangerous situation," which could become the center of instability.

The most serious weapon that the Kissinger-Haig crew are aiming at Mexico is the Central American conflagration. "Mexico backs the insurrection in Central America," said the adviser, deliberately confusing the Castañeda and López Portillo positions. (Castañeda indeed backs the guerrillas, while the president has sought to stabilize the situation.) He asserted that this would invite the spread of Central American fighting up through Guatemala into Mexico. "It's going to be dicey. It's touch and go all the way to see if Mexico makes it."

The senior policy adviser—who has years of experience advising the Latin American military, particularly Guatemala's—expressed a scarcely veiled threat against Mexico's high-growth policies. "We have to first of all get the Mexicans to come to a realization that they are a target [of the left in Central America]. 'If we can bring them to reason,' as Henry Kissinger would say, then the next element is to try to assist them."

Within Mexico, Foreign Minister Castañeda is Haig's best ally in this goal. An open supporter of the Socialist International, Castañeda has maneuvered every possible issue to maintain the United States and Mexico in an "adversary mode which precludes effective economic cooperation."

What follows is a list of major current efforts to knock the summit off course.

Trade

Watch this one closely. Trade warfare experts in the United States, promoted by the State Department, are charging that Mexico illegally subsidizes exports, and therefore is subject to U.S. retaliatory action.

The Commerce Department issued a finding April 10 that a 5 percent countervailing duty should be applied to American imports of Mexican leather goods on the grounds that Mexico had not adequately shown that its tax rebate program, called CEDIs, was not a de facto subsidy program.

Many will have a sense of *déjà vu*. In 1979, Carter administration officials encouraged Florida tomato growers to challenge the import of Mexican tomatoes as unfair “dumping” from south of the border. After a merry-go-round of hearings and findings, the U.S. Treasury ruled that no dumping was involved. In the meantime, various Carter negotiators had let Mexico know that the U.S. government would work to get Mexico “off the hook” if Mexico were forthcoming on issues such as natural gas prices.

Though no new countervailing duty decisions are pending at the Commerce Department, trade war experts such as Sidney Weintraub of Texas University are assiduously spreading the word to U.S. manufacturers that all they have to do to slap on such duties is press further on the CEDI issue. No specific injury to the American producers need be demonstrated in Mexico’s case, the Weintraub types emphasize, because Mexico failed to ratify membership in GATT and the Tokyo round of protocols last year.

“Open season” is the message, and insiders report that State Department-led planning sessions for the U.S.-Mexico summit are stressing the potential for “big trouble” in this area.

John Plunkett of the American Chamber of Commerce in Mexico, an influential business group, last week issued provocative statements that “neither Reagan nor López Portillo” could avoid a growing trade confrontation.

Maritime boundaries

Based on the *modus operandi* he previously used in his attempt to disrupt the first López Portillo-Reagan meeting, Mexican Foreign Minister Castañeda is using his “expertise” on “Law of the Sea” matters to inflame a dispute over maritime boundaries between the two countries. The last time around, Castañeda focused his attention on disrupting a bilateral fishing treaty with the United States.

At the end of April, sources in Mexico’s foreign ministry gave the leftist daily *Uno más Uno* a green light to start writing inflammatory articles denouncing alleged U.S. plans to repudiate a bilateral maritime boundary treaty initiated in 1978 by the Carter government. With headlines designed to recall a 19th-century U.S. “imperialist” invasion, *Uno más Uno* “revealed” that a 1980 study by the U.S. Geological Survey allegedly demonstrated the existence of substantial offshore oil deposits in an area of the Gulf of Mexico which, according to the treaty, belongs to Mexico. However, *Uno más Uno* explained, the “greedy” U.S. Senate is seriously thinking of rejecting that treaty and of making an oil grab.

Mexican press, government, and political circles all joined in the protest.

The scandal reached such proportions that on May 9, Reynaldo Jáuregui, public relations director for Pemex, had to warn the press that claims of “fantastic” oil deposits in the disputed area were purely “games of the imagination,” designed to serve political purposes. He coyly suggested that the foreign ministry might be able to provide a fuller answer. And a spokesman for the U.S. embassy in Mexico denied that the U.S. government would ever try to seize the oil, adding that the U.S. respects Mexico’s 200-mile sea limit—with or without signing the treaty in question.

Immigration

Groups on both sides of the border are attempting to enmire the Reagan-López Portillo meeting in a no-win confrontation over the issue of undocumented Mexican workers in the United States.

The Select Commission on Immigration and Refugee Policy, known as the Hesburgh Commission, established by President Carter, has delivered its final recommendations to the White House and the Congress. They amount to a formula for blowup with Mexico: the report gives no serious consideration to any form of guest-worker program, and instead places emphasis on a pervasive policing apparatus extending from the border up to workplaces that have high percentages of minority workers.

This would also set up conditions for antigovernment riots in Hispanic areas across the country, particularly in the Southwest; and the commission’s backers would also like to throw American labor groups against the Reagan administration for advocating a guest-worker program.

On the Mexican side, leftist newspapers are whipping up a large-scale campaign over human rights violations against Mexicans in the United States. Totally unrepresentative “Chicano spokesmen” are quoted, with inflammatory statements about how Hispanics in the United States are treated “like Jews under Hitler.” The Mexican leftist press now habitually presents the Hesburgh report as “Reagan administration policy.”

Global 2000

Over recent weeks, a group of Carter policy holdovers has been actively promoting among Mexican government and press circles the Carter-commissioned *Global 2000 Report*, a study which recommends extreme Malthusian policies. The U.S. embassy and the U.S. Information and Communication Agency (USICA) office in Mexico City is promoting the antigrowth report as official U.S. policy, which has left Mexican politicians puzzled as to how the Reagan administration can call for economic cooperation with Mexico while advocating global zero growth.

The damage such a misrepresentation of U.S. official policy could inflict on the two presidents' meeting cannot be overemphasized.

Given its leading role in misinforming Mexicans on White House policies, USICA's involvement in an upcoming U.S.-Mexico media symposium should be closely watched. The meeting, sponsored by the American Committee of the International Press Institute, will take place May 17-20 in Washington, D.C., only two weeks before the Reagan-López Portillo meeting. USICA is funneling funds into the symposium and actively promoting it.

Although some of the participants may not be aware of it, all indications are that the meeting will discuss propagandizing minor disagreements between the two

countries, and turn them into causes célèbres.

From the Mexican side, one of the main speakers will be Andrés Rozental, director general for North American affairs in the foreign ministry. Rozental, Foreign Minister Castañeda's stepson, is widely known to be a major "official" source of leaks to both U.S. and Mexican radical journalists, and has been accused of having close ties with Israel's Mossad.

Also helping to promote this editors' meeting is former U.S. ambassador to Mexico John Jova's Meridian House, nominally a cultural exchange center based in Washington, D.C. Meridian is now helping to organize an international symposium on solar energy to take place in Philadelphia at the end of May, to which Mexican officials have been invited.

A scenario from the London Economist

The Economist of London, an outspoken and widely read outlet for British intelligence propaganda, devoted five pages to a major feature on Mexico in its April 18, 1981 issue.

From the outset it made clear London's hostility to a successful Reagan-López Portillo summit. Paragraphs of glib analysis portray cultural differences and historical grudges of overwhelming weight. The two neighbors are "ripe for misunderstanding," "Mexican history demands some psychological distance from its overpowering and wildly different Siamese twin. . . . This same reaction colors the whole familiar gamut of Mexico-United States relations: illegal immigrants, oil prices, prisoner exchanges, fishing rights, water, drug smuggling. Since it is a politically necessary reaction for the stability of Mexico, Washington's new-fangled attempts to 'improve' relations are self-defeating, a misreading of the Mexican mind."

After repeated calls for Mexico to get out of the business of heavy industry and into "decentralized industry" as "the answer to the deepening rural crisis," *The Economist* lays its cards on the table. "For all its 60 years of political stability, Mexico plainly has great problems—its extremes of rich and poor, its overcentralized political system, its long history of violence—which makes chaos a strong possibility, if

not a probability, over the next 20 years."

The Economist then helpfully provides a four-point manual on "different ways in which a revolution could start."

1) "**Urban violence.** Mexico's last revolution began among country peasants. The next one is likelier to spring up from the urban dispossessed. Mexico City, now with over 12 million people, the largest built-up sprawl in the world (as well as the most polluted and probably most chaotic), is a terrorists' seedbed. So far the occasional outbreaks of political violence have been contained," says the account. "But if bombings and kidnappings were to become a weapon of extreme left or extreme right they could rapidly grow out of control. One likely starting place is the 300,000-strong university in the heart of the city: an unwise concentration of political mercenaries."

2) "**The unthinking right,**" which "resent[s] the healthy explosion of a new middle class."

3) "**Sentimental Mexican expatriates,**" a favorite *Economist* phrase to refer to Mexican undocumented workers and Chicanos living in the United States. "Perhaps, like the Iranian students, they will start to rail against 'American imperialism' toward their homeland. . . . Perhaps they will demand that the human rights they enjoy north of the border should be forced upon a different system south of it."

4) "**A president who breaks the rules.**" "Great leeway is allowed to the president of Mexico during his six years in office." But what if, "say two-thirds of his way through his term," a president "went off the rails"? Then "the whole system would be in jeopardy." López Portillo just happens to be two-thirds of the way through his term. What does the *Economist* have in mind?