

## Mexico-Brazil Summit:

# A Real Alliance For Progress

The first extended meeting between the Presidents of Mexico and Brazil in thirteen years ended successfully Jan. 18, with the signing of a "friendship and cooperation" agreement between the two strongest economic powers in Latin America. The implications of that agreement extend far beyond the two countries, and far beyond Latin America.

President Ernesto Geisel of Brazil returned home last week after a four-day visit to Mexico, having received the full support of Mexico's Lopez Portillo Administration for the unprecedented Brazil-West Germany nuclear deal — an agreement harshly opposed by the U.S. government. The lengthy communiqué that marked the end of Geisel's visit endorses the "right of all nations to develop nuclear energy for peaceful uses," while President Geisel reported that President Lopez Portillo agreed: "Brazil's nuclear energy program is on the right track."

### *The Third World and Europe*

The successful outcome of the Geisel visit, coupled with intensified planning for expansion of Mexico's nuclear program, provides the framework for an alliance for industrial growth between the two "giants" of the Third World and France and West Germany. This alliance could potentially break the Third World free from its gigantic debt burden and monetarist-imposed technological backwardness, while simultaneously providing an avenue for European forces to pursue policies of advanced-technology exports — in opposition to City of London policies.

In 1964, when Brazilian President Goulart and French President de Gaulle visited Mexico, a similarly oriented alliance was developing among these four countries, under the aegis of General de Gaulle, West German Chancellor Adenauer, Goulart, and Mexican President Lopez Mateos. When President Goulart took initiatives toward declaring a debt moratorium on Brazil's foreign debt, he was overthrown in a bloody coup d'etat in April of that year.

This time, however, resistance to the debt-collectors is greater, as Vice-President Walter Mondale discovered to his dismay when he arrived in Mexico City Jan. 20 (see below).

### *"Alliance of the \$70 Billion"*

The two Latin American leaders agreed on the issue of human rights, but went out of their way to emphasize that, quite contrary to the Carter-Mondale formulation of

the question, the real meaning of "human rights" is the right to higher standards of living. The communiqué issued by Geisel and Lopez Portillo stressed that full achievement of this right requires the establishment of "a new, more just international economic order."

Political observers in Mexico City dubbed the summit the beginning of "the Alliance of the \$70 billion" — Mexico and Brazil's foreign debt put together comes to \$70 billion. Besides the signing of a number of trade and cooperation agreements, a permanent "joint commission" was established to study future cooperation between Mexico and Brazil. Because Geisel will be stepping down within a year and a half, the creation of the permanent commission is seen as an attempt to give the agreement a more binding character. Brazilian observers feel that if Lopez Portillo returns the visit within a year, Geisel's successor Figueroa will have a hard time if he decides to reverse the present rapprochement.

The significance of the Mexico-Brazil summit for Latin America itself was reflected in an editorial in the Uruguayan daily *El Dia*: The summit "constitutes an important step toward Latin American unity." *El Dia* points out that Geisel could meet soon with Argentinian President Gen. Videla, and announced the Brazilian President's visit to Montevideo this week.

The Mexico-Brazil rapprochement coincided with the Mexican government's release of the outline of its ambitious nuclear energy development program. The key to the program, presented by the head of Mexico's Nuclear Energy Institute, would be the construction of uranium enrichment and reprocessing facilities in cooperation with France or West Germany. Earlier this month the director general of France's state energy monopoly, Electricité de France, Marcel Boiteux, stated that it was "indeed possible" that a Franco-Mexican accord could be worked out "similar to that between West Germany and Brazil" for nuclear technology transfer.

### *Point of Resistance*

The issue of nuclear power development has been a major point of Mexican resistance to monetarist pressures. The U.S. State Department has threatened to cancel an agreement to supply enriched uranium for Mexico's first two nuclear reactors, now under construction at Laguna Verde, Veracruz, unless Mexico waives the right to reprocess spent fuel for plutonium. The controversy over the enrichment of Mexican uranium reached a high point when the Mexico City daily

*Universal* led its Jan. 22 front page with the headline: "The U.S. Sequesters Mexican-Bought Uranium...It Was Bought in France and the U.S. Refuses to Give it Back." U.S. State Department officials have denied any U.S. "embargo" of Mexican uranium, although they acknowledged that negotiations are now under way to get Mexico to agree to the establishment of unspecified "adequate safeguards." Although the Laguna Verde Plant won't be completed until 1982, lag time in orders demands that the enriched uranium be lined up now.

On Jan. 17, the head of Mexico's Nuclear Energy Institute, Vizcaino Murray, made it clear that Mexico would never renounce the "reprocessing option." No matter what type of reactors Mexico decides to get, light water or heavy water, said Vizcaino, Mexico would "immediately (have) to establish the largest number of industries which enter into the fuel cycle," including reprocessing and enrichment facilities. The state-owned and -operated Mexican Electricity Commission has since announced siting studies for 10 new nuclear plants, and reporters were given a progress tour of the Laguna Verde facilities.

In an interview with the semiofficial Mexican daily *El Nacional*, Vizcaino Murray hinted at a possible major deal with France for the construction of a jointly owned uranium enriched plant in Mexico, to process extensive uranium deposits and to export nuclear fuel to third countries. He reported that a full-scale energy program would "generate tens of thousands of jobs" and "lead to the establishment of new related industries which will give rise to a whole new industrial movement in Mexico." Emphasizing that Mexico must begin to develop the necessary trained technicians and scientists now, Vizcaino Murray noted that nuclear energy "will multiply *n* times the possibilities for man's activity."

As followup to the Vizcaino interview, *El Nacional* featured a series of interviews with French, West German, and Canadian officials who suggested other cooperation deals, including construction of enrichment plants, personnel training, and joint investment. French ambassador to Mexico Jean René Bernard stressed that "there are many points of reciprocal interest in nuclear cooperation but...when and what type of technology to use in the development of nuclear energy will be an exclusive and sovereign decision of Mexico."

## Mondale Strikes Out In Mission To Mexico

U.S. Vice-President Walter Mondale's just-concluded visit to Mexico was supposed to have been a major diplomatic tour de force.

It was virtually the first visit of a high-ranking Carter Administration official to Mexico, and the forum for the first top-level discussions since Mexican President Lopez Portillo's journey to Washington in February 1977. When the trip was announced last Thanksgiving weekend, it was widely expected that such issues as the stalled U.S.-Mexico natural gas deal and "illegal alien" workers would figure prominently in Mondale's discussions with Mexican leaders.

But Mondale's mission was a flop. He was treated to a cool reception by Mexican officials and Mexico's press, and according to informed accounts on both sides of the border, he found the issues of the "illegals" and the gas deal completely closed off for serious discussion. Most of his visit was reduced to a junket of tourist sites.

Part of Mondale's problems flowed from his trip's timing. Mexico had just concluded five days of negotiations with Brazil in the first extended summit between the two nations since 1964. The two Latin American giants had for the first time indicated agreement on goals for nuclear development, in the teeth of fierce contrary pressure from Washington.

Another strike against Mondale was the complete breakdown in negotiations for a Mexican-U.S. gas deal in late December, when Energy Secretary James Schlesinger peremptorily informed the Mexicans Dec. 21 that he would not accept Mexico's asking price of \$2.60 per thousand cubic feet. Schlesinger was apparently convinced that Mexico would meekly revise its price. In-

stead, Mexico cut off negotiations and, in repeated statements — including during Mondale's visit — Mexican officials stressed that they will only renew negotiations when pressure inside the U.S. is sufficient to turn the Department of Energy veto around.

Further, the Mexican press gave wide circulation to charges that Schlesinger had offered to relax his opposition to the gas price if Mexico would soften its opposition to the Carter Administration's program to shut off U.S. work opportunities for Mexican unemployed.

The Mexican Labor Party took the lead in calling for repudiation of the Vice-President. It warned in a national manifesto that Mondale sought to use threats of shutting Mexicans out of the U.S. to force Mexican acceptance of labor-intensive rural work camps and renunciation of its long-standing commitment to full-scale industrialization. Over 25,000 Labor Party leaflets were distributed in Mexico City and regional centers; on the eve of Mondale's arrival, a Labor Party-coordinated rally in the industrial and commercial center of Puebla attracted a crowd of 5,000. The speeches at the rally urged repudiation of Mondale and gave firm backing to the Lopez Portillo government in negotiations with the U.S. Vice-President.

### *"The Stage of Industrialization is Over"*

Closed off from serious discussions on the "illegals" question, on gas, and on nuclear energy, Mondale turned to promoting labor-intensive development models as the only way to deal with the illegals issue at its "root." He announced that World Bank president Robert Mc-