

*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-

Namara had authorized him to express the joint interest of the U.S. and the Bank in stepping up the Bank's lending for labor-intensive programs in areas of high emigration to the U.S.

The World Bank is currently funding a gigantic \$1.2 billion rural development program in Mexico called PIDER, and is considering a \$100 million pilot program to extend labor-intensive methods to small and medium industry. According to Mondale, the U.S. will also encourage the Interamerican Development Bank to expand lending for such purposes.

To highlight this proposal, Mondale met for a highly publicized session with zero-growth agronomist Norman Borlaug, who is credited with pioneering the conception of the "green revolution" in Third World areas. Three days before, Borlaug had announced that "Malthus was right" and that the growth of human populations must inevitably fall behind increases in food production. Mondale's wife, Joan, declared to Mexican reporters that "the stage of industrialization is over," and that "no more machines or technology" should be sought. She advised Mexico rather to look for other roads to "development."

#### *Administration Lineup*

Mondale's failure to achieve accord on, or even serious discussion of, the gas deal and the illegal aliens issue does not mean that the U.S. Administration is backing off from pressuring Mexico on these points. Washington in fact has lined up a series of officials to visit Mexico in the near future. Agriculture Secretary Bergland arrived Jan. 24 to conduct an on-site inspection of rural districts thought to be appropriate for increased agricultural exports to the U.S. Attorney General Griffin Bell is due to arrive in Mexico City for discussions on the illegal aliens question Feb. 3-5. And Labor Secretary Marshall, Secretary of State Vance, and President Carter himself are all tentatively scheduled to follow the same route sometime during the late winter and spring.

## 'USLP Charges U.S. Blackmail Against Mexico'

*Among the factors that made the U.S.-Mexico natural gas deal too hot for Mondale to handle in his Mexico visit was a Jan. 17 Washington, D.C. press conference called by the U.S. Labor Party to demand congressional investigation of Schlesinger's role in the breakdown of negotiations with Mexico. The conference attracted a cross section of representatives from the gas industry, energy trade publications, U.S.-Mexico trade organizations, and Latin American press correspondents. Here's how the USLP call was covered on the international page of the Mexican daily Excelsior Jan. 18, under the headline "USLP Charges U.S. Blackmail Against Mexico on Gas Question."*

An opposition political group in the United States today called on Congress to investigate alleged blackmail by the United States executive branch against the Mexican government on negotiations concerning natural gas.

The U.S. Labor Party announced that it has evidence that James A. Schlesinger, Secretary of Energy, violated the powers of the department under his charge by linking the purchase of natural gas to the problem of undocumented workers from Mexico....

Spokesmen of the USLP started in a press conference that they will present this evidence to the Congress. They declared that they have evidence of the following specific charges:

—that the intervention of Schlesinger and the Department of Energy in the negotiations between six U.S. gas companies and Petroleos Mexicanos, before the signing of contracts, flagrantly violated the jurisdiction of the department, and

—that Schlesinger introduced into the negotiations matters not pertinent to the nature of the contracts, that is, the question of undocumented Mexican workers.

The spokesmen stated that the hearings could be called by the Energy subcommittee of the Senate or the Foreign Relations Committee, also of the Senate.

## Rand Wargames In Latin America Feed Global Conflagration

The incursion of Ecuadorian troops into Peruvian territory on Jan. 17 and 18 confirm that British monetarists and their American allies, nested around Henry Kissinger, are intent on activating the Rand Corporation's scenario for regional wars in Latin America. The dispute over the contested oil-rich Peruvian jungle, which that nation won from Ecuador in a 1941 border war, is only the hottest of a chain of tense border situations stretching to the southernmost tip of the continent at Tierra del Fuego.

The British have directly intervened to fan the smouldering fires of longstanding, often bitter territorial disputes between Chile and Argentina by handing over to

Chile three islands in the Beagle Channel, which formerly belonged to Argentina. This British action is precisely tailored to the prescriptions of the Rand Corporation's 1975 document predicting a "second War of the Pacific," and reaffirmed in an updated 1977 version.

On Jan. 17 and 18, Ecuadorian troops attacked a garrison well inside the oil-rich jungle territory of Peru, that Ecuador still claims as its own. Peru's Foreign Minister issued an angry protest to Ecuador Jan. 18 charging a series of such territorial "incursions" since June 1977, and warning harshly that any further violations "could affect the peace" between the two neighbors.