

The Common Market: a 1980 election issue?

Gov. Jerry Brown of California flew to Mexico last week to propose to President José López Portillo that Mexico, the U.S. and Canada form a North American Common Market.

The spectacle of a declared U.S. presidential candidate launching his campaign by flying to a foreign country to promote a proposal which is anathema to that country's leaders tells a great deal not only about Brown, but also about how the Mexico issue is already being manipulated in the 1980 presidential campaign. Of the major presidential contenders, only the U.S. Labor Party's Lyndon LaRouche has attacked the Common Market ploy and instead endorsed López Portillo's world energy development program.

Brown, Robert Dole, John Connally, and Ted Kennedy have all recently endorsed the Common Market scheme as an important element in "solving U.S. energy problems." None of the four make any pretense of the fact that they see such a Common Market as a convenient arrangement to override Mexico's nationalist oil policies and dictate Mexican oil policy from Washington.

The idea of a North American Common Market, as documented in past issues of Executive Intelligence Review, began as a project of such New York investment houses as Lazard Freres and Blyth Eastman Dillon. The Common Market figured in the recommendations of the Carter administration's Presidential Review Memorandum 41 on U.S.-Mexico relations last winter. There it was tagged a "North American Community."

Now, with an assortment of endorsements from top 1980 presidential contestants, the issue is moving front and center in the campaigns.

In Congress, the idea is "making it to the surface," in the words of one West Coast thinktanker. Sen. Max Baucus (D-Montana) opened the first round of hearings on "North American Interdependence: the Next Decade" in the International Trade Subcommittee of the Senate Finance Committee on June 6. Though witnesses generally avoided the term "Common Market," out of deference to Mexican and Canadian nationalist sensibilities, all proposals converged on the same theme.

This spells disaster for U.S.-Mexico relations. Mexico has defined a mutually profitable relationship with the U.S. based on an exchange of oil for the technology and capital goods it needs for full-scale industrializa-

any stripe would undermine its sovereignty; and it is concerned that a flood of cheaper manufactures would undermine its industry. As Foreign Minister Jorge Castaneda put it in a press conference June 4, the Common Market "would be a decisive obstacle for the country and for the consolidation of our industrialization."

By any other name as bad

Kennedy and Brown in particular have played up the "energy side" of a Common Market and stressed their hopes of using Mexico to "bust OPEC." This plays into the strongest area of Mexican nationalism and courts the quickest rejection—leading some observers to conclude that in these hands the proposal is purely a pressure tactic to force concessions from Mexico in other contexts.

Numerous other Common Market supporters seek to downplay the energy component, and in many cases try to duck the Common Market label entirely.

At the Baucus hearings, Rep. Arlan Strangeland (D-Minn.) urged a North American Energy Summit. William G. Phillips of the U.S. Chamber of Commerce called for a North American Continental Trade Commission; Sen. Peter Domenici (D-N.M.), a North American Planning Commission; Paul Oreffice of Dow Chemical, a North American Alliance. Senator Baucus emphasized "strengthening research and development capabilities" in Canada and Mexico. An aide explained his approval this way: "We don't talk about a Common Market. We talk about a free trade zone. We want to start from the other end of the telescope: What do they want?" Baucus has suggested that further integration "should start ... with a private sector institute or other similar organization to devote itself to investigate possible ways to increase North American trading patterns."

The West Coast academic who praised the Baucus hearings for bringing the Common Market issue "to the surface" is among the ones saying "energy is not primary" in the arrangement. He stresses labor flows. Nor is he concerned with the label. "Both Canada and Mexico will have to recognize the facts of life, and come to a de facto agreement in the next years."

But with candor he admits: "Mexico is scared to death of the idea and ought to be scared to death."

—Timothy Rush