

## Dateline Mexico by Josefina Menéndez

### Tension at U.S.-Mexico business meeting

*Economic warfare is clouding the relationship between the two North American neighbors.*

I attended the two-day conference of the U.S.-Mexico Chamber of Commerce here in Mexico City on July 9 and 10, which was the first large public gathering of government and business officials from the two countries since the successful June summit between López Portillo and Reagan. Thus the conference was very useful for getting the true pulse in bilateral relations.

My conclusion: the combined impact of rumor campaigns against the Mexican peso, the cancellation of Mexican oil imports by the leading American oil firms, and other recent policy decisions in Washington, have cast a cloud over the good relations established by Reagan and López Portillo.

Overshadowing the conference was the action taken by Mexico just a few days before against France, in retaliation for that country's cancellation of oil purchases from Mexico. It is not very usual to see representatives of the largest American corporations genuinely scared about the actions a foreign government may take. Sentiment among the Americans favored a compromise on the part of the U.S. oil multinationals in their negotiations with Mexico, to avoid such a fate.

A representative of one of the oil companies told me that his firm was bracing for Mexican action similar to that taken when James Schlesinger unilaterally canceled negotiations between the two coun-

tries for the purchase of Mexican natural gas by the U.S.

The highlights of the official proceedings were the presentations by Commerce Undersecretary Olmer and Mexico's Industry Undersecretary Nathan Warman, who traded barbed remarks. Presentations by Pemex officials were anxiously awaited, but their speeches were largely rehashes of existing Pemex policy, and they sidestepped answering any questions.

Mr. Olmer is one of those American officials committed to preventing Mexico from industrializing and becoming "a new Japan." This idea dominated his speech, and the hostility of his remarks was not well hidden behind his calm smile. He stated that trade disputes between the U.S. and Mexico are serious, and stem from "different levels of development" and "differences in economic policy." In particular, he cited the Mexican government's subsidies to industry, and he backhandedly urged Mexico to participate in the General Agreement on Trade and Tariffs.

Olmer barely stopped short of openly calling for the peso to be devalued, when he argued that the trade imbalance between the two countries is the result of "uncompetitive" pricing for Mexican products in the American markets.

Olmer himself evasively told me that he was not calling for the peso to be devalued, because "only the

Mexican government can decide that." However, his true thinking emerged when I asked him if these policies might not disrupt Reagan's desire for good relations with Mexico. "The President is not all-powerful and cannot get everything he wants," Olmer responded.

Only the very useful and friendly remarks of U.S. Ambassador John Gavin at a luncheon on the first day kept the true spirit of the Reagan-López Portillo summit alive, and prevented the conference from ending in a climate more reminiscent of the Carter years. Gavin argued that America's true interests lie in "a strong and independent and prosperous neighbor south of the border."

It was interesting to see how many Americans were "coincidentally" vacationing in Mexico at the time of the conference and decided to drop in. One not-very-tanned "vacationer" was George Leiken, director of Latin American studies at Georgetown University. Leiken was talking to anyone who would listen to him, spreading the line that Mexico had "overreacted" to France's oil cancellation.

Another vacationer was former American special representative for U.S.-Mexican relations Robert Krueger, who says he is preparing to take another shot at a campaign for the U.S. Senate. It appeared to me during the conference that Mr. Krueger was having as much trouble getting the attention of Mexican officials as he used to have while representing Jimmy Carter's Mexico policy.

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*This column was contributed by Peter Ennis, EIR's Director of Special Services, who is currently traveling in Mexico.*