

Lopez Portillo Names Echeverria Ambassador For Third World Affairs

Mexican President Jose Lopez Portillo designated ex-President Luis Echeverria extraordinary and plenipotentiary Ambassador for Third World Affairs on May 15. The naming of Echeverria to this newly created post insures the refocusing of Mexico's efforts to lead the Third World to battle for a new world economic order — and continue the offensive for peace and Third World development which Echeverria led during his 1970-76 presidential term.

Lopez Portillo's decision, which officially acknowledges Echeverria as a powerful government spokesman and advisor, was immediately backed by leading political figures. The head of the Chamber of Deputies, Augusto Gomez Villanueva, called Echeverria's appointment "the best guarantee to maintain the unity of the revolutionary forces in Mexico." The ruling PRI party officially endorsed the nomination emphasizing that Echeverria's great experience in Third World problems will benefit Mexico's international relations. The official government daily *El Nacional* stated editorially that the studies on Third World problems which Echeverria will carry out "will serve to orient our government."

The appointment of Echeverria is a high point in Lopez Portillo's progressive political offensive since his visit to the White House in February of this year. During his Washington visit Lopez Portillo realized that Carter's Administration was committed to demanding of Mexico the same austerity measures that the International Monetary Fund was insisting that Mexico impose. In response, Lopez Portillo announced in March a Political Reform to mobilize all the political forces of Mexico around

the main national problems.

As part of this offensive, on Labor Day, Lopez spoke at a demonstration of one million workers to issue a warning to traditionally Wall Street-allied Mexican businessmen and demanded that they support his economic strategy, the Alliance for Production. Then on May 3, Lopez committed himself to defend Echeverria's progressive Agrarian Reform by distributing to peasant families land taken from large landowners of the state of Sonora.

In the same week, Lopez's Minister of Commerce, Solana, announced a government fund to stimulate the medium and small industries that want to participate in the Alliance for Production. At the same time, the government food production and distribution center, CONASUPO, announced it was going to open stores together with the largest labor union of Mexico, the Mexican Workers Central (CTM), in order to maintain control over the prices of basic products, a direct attack on the speculators.

The response of U.S. and Mexican pro-Wall Street forces to the consolidation of this nationalist thrust came yesterday through United Press International. A UPI story played on the front-page in the Mexican daily *Ovaciones* warns that, according to a U.S. military source, the power of the Mexican army is growing and that power can be used to launch a military coup. The article adds that the military now has the power to form a military government to put an end to the corruption and inefficiency of the civil society, which it considers "rotten." The UPI dispatch ends by noting that in other Latin American countries the Armed Forces have taken power; "why not in Mexico?"

Jamaica Rejects IMF Conditions For Loan

JAMAICA

The Jamaican government has flatly rejected the three primary conditions set forth by the International Monetary Fund (IMF) for financial support. According to an official Jamaican government communique released May 9, "the political directorate (of the ruling People's National Party) ... took the decision that we would not accept those conditions which we thought were inappropriate." The communique was issued following the arrival in Kingston of a high level United States delegation led by U.S. Assistant Secretary of State for Inter American Affairs, William Luers.

The official communique revealed in full for the first

time the IMF conditions for granting Jamaica financial assistance. Among other things, said the government release, the IMF demanded a 40 per cent "across the board" devaluation, the "elimination of social programs," and the abolition of foreign trade and exchange controls.

"We told them in January (1976) that it could not be done," said the Premier in a speech three weeks ago before a mass concentration of labor supporters. "No outside forces," he added, should dictate to Jamaica.

Mr. Manley then brought the crowd up cheering when he emphatically stressed that under no conditions will the programs of social reform which benefit the large majorities of the masses be discontinued. The Jamaican government, he continued, has a policy of promoting social development. "If the IMF will not lend us money on those terms, we will borrow it elsewhere on those terms."

The *Jamaican Daily Gleaner* reported May 11 that a team of government officials was due to arrive in Moscow May 16 for economic talks "in a move to broaden Jamaica's foreign economic relations" with the Soviet Union. Jamaica took initial steps in that direction earlier this year when it requested "associate member status" in the CMEA, the financial arm of the Warsaw Pact countries.

It is reported in the Caribbean press that Jamaica opened talks with Trinidad Tobago on May 10 in a further attempt to secure financial assistance from its oil rich neighbor. The *Jamaican Weekly Gleaner* reported May 17 that Jamaica had also rescheduled a \$22.8 million loan with Canada, a traditional trading partner.

Credits for Development

The pro-socialist government of Jamaican Prime Minister Manley has been attempting to negotiate a \$150-200 million loan with the IMF for the past six months, in hopes of alleviating the country's immediate financial crunch. Several weeks ago, the Jamaican government announced a partial devaluation for some transactions. But according to financial sources, the devaluation is not expected to have a negative effect on the social welfare

of the population at large; it is estimated that it will mainly affect the tourist and related industries.

The May 9 government communique indicated that the Jamaican government is seeking the \$150 million loan assistance as part of a "short term solution" which will enable it to "get through this year or its immediate future" without hampering the welfare of the population or its pro-socialist objectives. The "fundamental policies" of the government, states the communique, are: "1) Not to abandon total control of import and export trade, and the use of quantitative restrictions; and 2) Not change the policy of maintaining social programs even though that would involve some deficit budget." These fundamental policies cohere with the present socialist course pursued by Manley and his collaborators, a course mandated by the electorate in November 1976 when they re-elected the Prime Minister by a landslide margin.

The government communique discounted as a "myth" the rumor that the government was borrowing the \$150 million to lend the amount to the private sector. The loan, it stated, will be used for securing additional foreign exchange to finance the import of critical raw material needed for development.