

'Mexico: a new Vietnam'

The Center for Inter-American Security issued a prospectus for the "Mexico 2000" project, with plans to publish a 200-page policy document by June, 1979. The following excerpts indicate the orientation of the Kissinger group.

Threat and Promise

Oil, population, poverty and politics are combining in Mexico in an explosive way that, paradoxically, both threatens and holds promise for the United States. For the first time in history Mexico is coming into position to be a decisive factor in world affairs....

Oil reserves equal, many believe now, to Saudi Arabia's could make Mexico boom, giving it revenue to build for an advanced economy. Oil will also vastly increase that country's importance to the United States. Mexican oil would be critical for the survival of the United States, Western Europe and Japan if the Soviet Union secures control of Persian Gulf petroleum....

But the pressures of poverty, political violence and unrest (little reported in the U.S.) could explode before the effects of new oil wealth are felt. Then, of course, there is the crucial question of how Mexico will use its new oil wealth. Will it be invested soundly or will it be fretted away on populist redistributionist schemes?...

Economic vs. Population Growth

Today Mexico has too many people, not enough jobs and an uncertain, if not perilous, future.... To some authorities on both sides of the border, Mexico is a population time bomb... To feed themselves, more and more of them will have only one place to turn—the United States—unless there are changes soon....

In the past 25 years, job creation never has kept pace with population growth, and there is little reason to believe that will improve unless policy changes are made soon....

For 30 years, Mexico, which has the resources to feed itself and export food, ignored investments in its agricultural sector precipitating a flight from the countryside and the search for work in the cities.

A New Vietnam?

Policy decisions effected between now and the end of

President Lopez Portillo's six year term in 1982 will likely determine whether our southern neighbor breaks out of its economic and political constraints or plunges into a downward spiral possibly leading to revolution.

As *U.S. News and World Report* (7/478) puts it, "Americans could face a potential Vietnam right on their doorstep."

A new Mexican Revolution would spill over into the United States. There have been repeated allegations of Soviet-Cuban plans to move terrorists across the porous U.S./Mexican border, secreting them into the Southwest's ever-growing pool of U.S. "Chicano" population. The governor of New Mexico has privately wondered how he might handle 1000 or more hungry Mexicans rampaging across the border if the U.S. tries to close that escape route....

Taken as a whole, the Mexican economy has numerous possibilities for growth.... Tourism has grown substantially in recent years but the country's potential is far from being realized. Most important, investment in this industry could produce a short-term return for investors and a sizeable number of new jobs. Similarly, development of the country's mineral resources, the fishing industry and agriculture are but some of the other areas which offer great promise for Mexican—and foreign entrepreneurs.

Prospect for Change

Today Mexico is run by a closed, tightly knit and self-perpetuating political bureaucracy—the Partido Revolucionario Institucional or PRI.... Observers on both sides of the border wonder whether the closed system, resembling in many ways Mussolini's Italian fascism, will change its economic and political direction in time.

The adoption and implementation of realistic policies to lift Mexico from its morass will not be easy. Lopez Portillo faces vigorous opposition from leftist elements; in the United States unenlightened protectionist elements—particularly labor—must be countered.