

Dateline Mexico by Hugo López Ochoa

Salinas-Bush pact: oil for fraud

To seal their pact for mutual survival, a desperate Mexican President received the U.S. President like a "liberator."

President George Bush was greeted in the city of Monterrey, Nuevo León, like a returning conquering hero. His Mexican colleague President Carlos Salinas de Gortari prepared a rally for Bush in the purest tradition of the Mexican ruling party, the PRI, by bringing in paid busloads of Mexicans to cheer—something not even the U.S. Republican Party would have dared to attempt in last November's elections.

In the megalomaniacal style Bush has displayed ever since the Middle East crisis broke out, he called Salinas a "world leader," "architect of economic change," proposed that they "share leadership," and declared that "Mexico is emerging as a giant of the 21st century, greater than ever." Salinas, in his turn, called his alter-ego "sensitive" and "understanding," and ordered the Mexican press to compare Bush with Franklin D. Roosevelt.

Bush had planned this meeting as the public relations phase of his triumphal tour through Ibero-America, during which he will propose the incorporation of South America into his free-trade "Enterprise for the Americas Initiative," of which the pact with Mexico is offered as a model.

But behind the mountain of demagoguery about the incipient Free-Trade Agreement with Mexico, everyone knows that Bush came to celebrate a pact of "mutual survival" with Salinas, in which the Mexican is committed to providing a secure oil supply to the United States, in exchange for Bush's aid in smashing the nationalist opposition to Salinas in the mid-term elections of 1991.

Both points are intimately related, since the U.S. oil companies—especially those controlled by the Rockefellers which were nationalized by President Lázaro Cárdenas in 1938—feel that the only sure means of counting on Mexico's oil is rewriting the Constitution, to allow possession of that oil by foreign companies.

This will be impossible if the ruling PRI loses its majority in Congress in the 1991 parliamentary elections to the political movement headed by Cuauhtémoc Cárdenas, son of Lázaro Cárdenas. It is widely believed that Cuauhtémoc Cárdenas actually won the 1988 presidential election, but had the victory stolen from him by Salinas. A majority of his movement in the Congress could be expected to lead to a genuine investigation into the electoral fraud that put Salinas into power.

The Mexican President preempted questions from journalists by announcing that Bush "did not raise the issue of oil; rather it was I who did so." He proceeded to pledge that "we will not alter what the Constitution establishes." But everything indicates that this is pure demagoguery, and that the two Presidents agreed to proceed de facto on what is not yet possible de jure.

While Bush was in Monterrey, Fernando Sánchez Ugarte, Undersecretary of Industry and Foreign Investment from the Trade Department, declared that "the Foreign Investment Law could be altered as a result of negotiating the Free-Trade Agreement with the United States." On Nov. 28, U.S. Treasury Secretary

Nicholas Brady confirmed that up to \$1.5 billion in Export-Import Bank credit would be extended to Mexico's state oil company Pemex, for "the importing of goods and services" for said company.

Pemex director Francisco Rojas Gutierrez told foreign correspondents Nov. 30 that for the first time in years, the company would hold an international bid for new drilling. He also revealed that nearly 80% of investment for the exploration and exploitation of new Mexican crude would come from foreign credits. The Mexican daily *El Financiero* reported the same day on an interview which President Bush granted to the U.S. Spanish-language television station Univision, where Bush declared that "Mexico is prepared to open up its fields to U.S. oil companies" for "works and public services related to the industry."

Salinas's apparent willingness to permit the eventual opening up of the oil fields was reflected in coverage appearing in the *Los Angeles Times* of Nov. 26, the day of Bush's arrival in Monterrey. The newspaper benevolently viewed the scandalous electoral fraud committed Nov. 11 by the PRI in the strategic state of Mexico: "The shadiness of the recent elections . . . has left one thing clear: free trade, not free elections, is what Mexico needs most."

Riordan Roett of Johns Hopkins University told *El Financiero* that Salinas would wait until after the 1991 elections to make "the necessary constitutional amendments." In an outburst of Olympian cynicism, Roett described Cárdenas as "the most serious challenge to the PRI's control of the presidency," but one who would not be permitted to win until he had become more moderate, so that the United States no longer felt "its interests threatened."