

# Mexico, Brazil, And Venezuela Fight IMF With Energy Policy

Mexico, Venezuela and Brazil are rapidly preparing to break with the International Monetary Fund and its allies in London and Wall Street. United around a policy of capital-intensive energy development, the three giants of Latin America last week emphatically rejected the no-growth policies promoted at the recently concluded World Bank-International Monetary Fund Annual Meeting in Washington, D.C.

With emphasis on the need for transfer of advanced technologies to the third world, particularly in the area of energy development, the three countries are now leading the resurgence of the Third World's fight for a new international economic order in coordination with prodevelopment forces in Europe, the OPEC countries, and Japan.

## *Mexico's No to the IMF*

The most direct rebuff to the IMF came from Mexico. Speaking before the IMF meeting Sept. 28, Mexican Finance Minister Rodolfo Moctezuma Cid declared that Mexico will seek financing for the expansion of oil production over and above the \$5 billion limit on net borrowing for 1977 and 1978 imposed on Mexico last year by the IMF.

The Mexican position was further defined by President Lopez Portillo at a roundtable discussion Sept. 26. After outlining the three "conditions" established in the agreement with the IMF to limit foreign indebtedness, public spending, and currency issuance, Lopez Portillo noted that while these conditions might help to prevent inflation, "they are insufficient to get out of a recession." Therefore, Mexico must focus on the development of its oil, he concluded. "We will have to find other ways to finance the growth of the oil industry, which will help us out of this financing trap in which the IMF accord places us."

The Mexican leader ended his statement by attacking the IMF for being "tied to the past. Mexico," he added, "will fight for modifications to improve the system."

With proven oil reserves of 17 billion barrels and projected reserves as high as 60 billion, the Mexican move to break the stranglehold on energy development will insure that the Lopez Portillo government can carry out its six-year program to more than double production of oil to the 2.2 million barrels per day level and turn Mexico into one of the world's leading oil producers. Plans to expand nuclear energy production using recently discovered large uranium deposits are also on the drawing board, but depend as well on large scale capital inputs from abroad.

At the same time Mexico's commitment to the new international economic order, largely abandoned since Lopez Portillo took office from former President Luis Echeverria in December of last year—was strongly reaffirmed by Foreign Minister Santiago Roel in his address to the United Nations General Assembly Sept. 30.

## *Venezuela Backs Brazil Nuclear Development*

The same commitment to industrial development based on intensive energy production was voiced by Venezuelan President Carlos Andres Perez. In an interview with the semiofficial daily *Jornal do Brasil* on Sept. 26 Perez declared that "Brazil not only has the perfect right to develop its nuclear energy, but it needs to do so." Emphasizing that he wants to make Venezuela's position "clear" on Brazil's nuclear development program — and the Brazil-West Germany nuclear technology transfer accord — Perez stated that nuclear energy "will ensure and strengthen the industrial and economic development of that great neighboring country."

In a second interview with the *Jornal do Brasil* six days later President Perez stressed the need for Latin American "economic integration...from Mexico to the southern cone," and again denied Brazilian "expansionist" designs. (See below)

Perez's unequivocal stand is a severe blow to what has been the very core of White House policy toward South America. In line with Wall Street and City of London schemes, the Carter Administration since the beginning of this year has feverishly attempted to divide the continent between the "human rights" governments of the north, led by Venezuela, and the "human rights violators" centered around Brazil to the south. This splitting campaign has aimed at provoking Brazilian invasion of oil-rich Venezuela, and also at duping the Caracas government into helping U.S. Secretary of State Cyrus Vance sabotage Brazil's nuclear energy program.

Perez's statements, however, have laid the basis for Latin America-wide cooperation around the common interest of economic progress. This was made clear when the Brazilian foreign ministry quickly responded, praising Perez's support. Perez has shown "a perfect understanding... of the Brazilian nuclear policy," the ministry declared.

The possibilities for significant Brazil-Venezuelan cooperation were advanced with the surprise visit to Venezuela Oct. 4 by Brazilian Foreign Minister Azeredo da Silveira. Returning from the United Nations General Assembly, Da Silveira stopped in Caracas for a lengthy

meeting with Perez. After stressing friendly relations between the two countries, da Silveira enthusiastically accepted Perez's invitation to President Geisel for a Venezuela-Brazil summit meeting.

In his speech to the General Assembly da Silveira helped collapse the "human rights" gambit as a dividing tactic between the two countries. Locating economic well-being as the basis for human rights, da Silveira asserted that U.S.-led efforts to block the establishment of "a more just international economic order... is a factor that cannot be minimized or covered up in the interest of respect for human rights."

Da Silveira also attacked the White House campaign of preventing Third World access to nuclear technology under the guise of nonproliferation. Such "discriminatory" policies—i.e., U.S. opposition to the Brazil-West Germany nuclear agreement—he said, are tantamount to "destroying the very foundation of the defense of human rights."

#### *Coordination with Europe*

Key support for this renewed fight for a new international economic order has come from prodevelopment forces in Europe and Japan.

Italian Foreign Minister Arnaldo Forlani's visit to Mexico last week provided the groundwork for cooperation in oil development. The accord signed at the end of his meetings with President Lopez Portillo and other high officials called for exports of oil to Italy, and technical cooperation with Italian state-owned petrochemical company, ENI. Italy also pledged to serve as an intermediary for closer European-Mexican relations.

Italy's key role in Latin America was highlighted by the celebration of a four-day "Italo-Andean meeting" in Italy last week with leading government representatives from Italy and the five Andean Pact countries in attendance. The meeting was described as a "model of cooperation between the Italian industrial sector and the Andean group." The organizer of the meeting and head of Latin American-Italian Institute, Carlo Perrone, stressed that the current world situation demands an end to speculative operations and their replacement by "a policy of long term investments in internationally guaranteed industrial activities." The agenda included discussion of advanced technology transfer to the Third World and "Industrial cooperation as an instrument of development and equilibrium in international relations."

Among the leading attendees at the meeting was Reinaldo Figueredo, chairman of the Venezuelan Foreign Trade Institute, who last year called for a moratorium on Third World foreign debts. Before his visit to Italy Figueredo led a trade mission to Lyons, France for "high level colloquia" with government and private industry officials.

A second high-level delegation led by Gonzalo Barrios, president of the Venezuelan Senate and of the ruling Accion Democratica party, was also in France last week. Barrios met with French Premier Raymond Barre shortly before his departure for Moscow. In his statements Barrios praised the growing French cooperation with the Soviet Union and underscored the necessity for increased French technology transfers for Venezuela's booming industrial development.

Immediately following Figueredo's and Barrios's visit the French foreign trade minister arrived in Vene-

zuela for meetings with President Perez and other top officials.

As a member of OPEC, Venezuela is also playing a key role in the European-OPEC effort to set up a new world monetary system. Jean Blondeel, president of Kreditbank of Luxembourg and one of the top European bankers involved in establishing this "counterpole" to the London-New York monetarist alliance, arrived in Caracas Sept. 20 for meetings with government and private banking officials. Blondeel was an associate of murdered Dresdner Bank president Jürgen Ponto.

Other OPEC-Latin American input into the European progrowth alliance is expected to come at a meeting of European, Mideast, and Latin American bankers scheduled for Oct. 6 in Caracas. And Venezuelan Energy and Mines Minister Hernandez Acosta leaves for Iran, Abu Dhabi, and Kuwait Oct. 8, and will welcome Saudi Oil Minister Sheik Zaki Yamani to Caracas at the end of the month.

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## Perez: Sovereignty Depends on Integration

*The following is drawn from an interview with Venezuelan President Carlos Andres Perez by the Brazilian daily Jornal do Brazil, Oct. 2.*

According to Perez, Latin America will either integrate economically or "the transnationals will do our integrating for us, continuing our dependence. Economic sovereignty cannot be attained nor will we be able to enjoy it... if we don't achieve integration." The Andean Pact, he said, "is telling Latin America and the world... to begin in earnest an authentic South American integration."

The Venezuelan head of state firmly denied that political differences among Latin American governments could impede continental economic integration.

Latin America will arrive at the conclusion that economic sovereignty "is an essential priority to accomplish in order to establish political stability... by fighting for a new world economic order," he said.

To speak of the expansionist pretensions of a country is to be thinking in the ancient geopolitics of the Old World, Perez said.

"No country in Latin America is looking for that (kind of) unilateral predominance," responded Perez to a question on the alleged existence of Brazilian "expansionist and imperialist aggression." "I don't believe in any Brazilian expansionist policy, nor even in the possibility that they intend to undertake (such a policy), because that is no longer even possible in the world we are living in now."

## Brazilian Official Ties Human Rights to Progress

*Translation of excerpts from the speech given by Brazilian Foreign Minister Antonio Azeredo da Silveira before the United Nations, Sept. 26.*

Brazil is a peaceful country. The dominant concern of the Brazilian nation is its integrated and harmonious eco-

conomic and social development... We believe that the true meaning of nonproliferation is to halt the dissemination of nuclear weapons, and not to impede the spread of nuclear technology. Access to technology for peaceful uses of nuclear energy, provided adequate controls, should not be subject to discriminatory restrictions.

... The International Atomic Energy Agency, whose long accumulated experience over the past two decades has shown it to be so useful, was conceived and established precisely to seek to accelerate and increase the contribution of nuclear energy to the peace, health, and prosperity of the entire world, guaranteeing that such cooperation would not be used in a manner that would contribute to military ends.

... A second component of our common wealth is the conviction that the question of human rights has a uni-

versal character. To justify discriminatory treatment on the basis of national interest, is to destroy the very foundation of the defense of the rights of man.

... The creation of conditions conducive to the generalized respect for the rights of man will depend on the substantial improvement of political and economic security on an international level. As long as the nuclear arms race remains unrestrained and as long as the just intentions of the developing countries within the framework of the relations between the North and South remain unsatisfied, the basic requisites for allowing the rights of man, in their widest and truest sense, to be effectively respected on a global level, will be lacking.

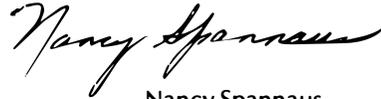
... Social justice and economic progress are essential to the system of guarantees among States, and, therefore, inseparable from the objectives of peace and security.

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