Dateline Mexico by Héctor Apolinar

Latin American integration or death

Even Mexican officials realize Ibero-American unity must come before a North American Common Market.

One hundred Latin American bankers despaired over the shocking social and economic disintegration of the region during this past "lost decade." They were attending the annual convention of the Latin American Bankers' Federation (Felaban) in Mexico City, Nov. 22-25.

It was surprising to hear Felaban President Juan José de Olloqui employ patriotic jargon rarely used by pragmatic bankers. He proclaimed, "The Patria Grande conceived by the Liberator [Simón Bolívar] does not cease to beseech us; Let us grant it our enthusiasm." Olloqui normally echoes Henry Kissinger's geopolitics, which are antithetical to all patriotism.

Dutch Finance Minister H.O. Ruding argued that European integration "justifies Latin America's focus of attention gradually shifting from the United States to Europe." Ruding denied 1992 would bring a "Fortress Europe" which would erect trade barriers against the rest of the world. He said the benefits of a single European market "would spread to other parts of the world."

Europeans find it absurd that Latin American nations only conduct 12% of their total trade among themselves, Ruding said. Latin America should not think of any kind of trade integration without a substantial increase in intra-regional trade, the Dutch minister argued. He vigorously attacked the stupid policy of currency devaluations as a means of reducing trade deficits. He explained that the European Monetary System's success was due to exchange rate stability. Ruding emphasized that integration is impossible without monetary stability. "This is of crucial importance to Latin America," he indicated.

Brazilian central bank official Maria de Gloria Rodrigues argued that the existing Latin American Integration Association (ALADI) was adequate to facilitate trade inside the region, but countries did not use it because each was struggling to sell its products where it would be paid in dollars with which to pay the foreign debt. The Brazilian representative urged that those priorities be scrapped immediately—not just to gain trade and economic integration—but to gain "political unity" which "lets us stand up to the economic blocs forming in the developed world."

Everyone was surprised that a chief architect of Mexican President Carlos Salinas de Gortari's economic program generally agreed. Antonio Ortíz Mena held that the region must integrate in response to Europe 1992, the U.S.-Canada Free Trade Agreement, and a similar bloc forming in the Pacific Basin. "Latin America must urgently consumate integration mechanisms under construction since the 1960s," Ortíz Mena stated. He ended by calling on the bankers to "make the dream of all the great men who came before us come true—the dream of a strong, united and developed Latin America."

To those who know Ortíz Mena's political trajectory, his words seemed pure demagogy. He represented the Rockefeller family's interests as president of the Inter-American Development Bank (IADB) during the seventies and the first half of the 1980s. He resigned, however, in a fight with then Treasury Secretary James Baker III, who wanted to keep the IADB as a supine tool of U.S. foreign policy toward Latin America.

The unusually virile posture of Mexican officials seemed to show their resistance to Washington's gross public and private pressures on Mexico to sign a free trade agreement with the United States. Such a deal would lead to a North American Common Market in which Mexico would provide the United States and Canada with its products under disadvantageous terms. The Salinas regime refuses to do that, for the moment.

U.S. Commerce Secretary Robert Mosbacher arrived in Mexico City Nov. 21. He made stupid and provocative statements that the United States government "is determined" to create such a free trade zone. Two days later, Mosbacher had to retract: "It is premature to speak of a broad comprehensive accord." Under his nose, Mexico signed several accords with the European Community. A business delegation from the Republic of Korea was warmly welcomed Nov. 24, while four Mexican cabinet members went to Japan seeking economic and industrial cooperation.

The immutable reality is that for the past seven years, Mexico has perverted its economy to fit every fantasy of the U.S. Treasury Department, the Federal Reserve, the International Monetary Fund, and the creditor banks. The results are devastating. Time, space, and social patience have run out.

The dangers are clear. Nicaraguan Interior Minister Tomás Borge issued an ominous message upon visiting Mexico Nov. 24. The architect of "revolutionary expansionism" proclaimed, "The Mexican people is asleep; but when it awakes, we will all avert our eyes in fright."