

Mexico, France map world energy meet

Lopez Portillo's principle is expanded production to meet world needs

Mexico and France announced last week that they will begin immediately an urgent round of consultations with oil producing and consuming countries to analyze world energy problems and organize support for a world energy conference, as proposed by Mexico's president Jose Lopez Portillo. The two nations will set up a system of "permanent consultation" to jointly monitor the progress of their "consultations," which an April 25 official communiqué characterized as "indispensable to avoid the creation of a dramatic situation that could provoke grave consequences for world political and economic equilibrium."

The "grave consequences" referenced are nothing short of World War III, as Lopez Portillo bluntly stated in his March call for international cooperation to solve the energy crisis. Warned the Mexican president, unless energy sources and technology are used to promote global development, the world is headed for "apocalypse."

The commitment expressed in the Paris communiqué was buttressed by plans to implement accords for French aid in Mexican nuclear energy and industrial development projects immediately, in exchange for Mexican oil. Projects targeted for joint collaboration range from ports, agriculture, mining, electrical energy generation, railroads, automotive, to specific areas of oil production.

This Franco-Mexican initiative, a model North-South political-economic alliance, capped an intensive round of "working meetings"—11 in three days—held in Paris April 22-25 between a high-powered 12-man Mexican delegation headed by Pemex state oil company director Jorge Diaz Serrano and Natural Resources and Industrial Development Minister Jose Andres de Oteyza and their French counterparts, led by French Industry Minister Andre Giraud. The meetings were action-oriented, working off the international policy and bilateral economic cooperation accords signed during the early March state visit to Mexico of French President Valery Giscard d'Estaing.

While important measures were taken to concretize the Mexico-France bilateral economic "association," as

an editorial' in the Mexico City daily *El Nacional* defined it, the centerpiece of the Paris talks was a discussion of world energy policy, and implementation of the Lopez Portillo proposal for a solution to the energy crisis based on the premise that energy is the "patrimony of humanity." Mexico is urging creation of international agreements, probably in the framework of the U.N., that will wrest the control of world energy production and distribution out of the hands of the London-based Seven Sisters oil monopolies and speculators, and use energy as a motor of development of the advanced and developing nations, rather than as a weapon for international economic warfare. This proposition is Mexico's answer to the U.S. Schlesinger oil grab and energy austerity policies, expressed in the current Administration maneuvers to rope Latin America into a Western Hemispheric "strategic reserve"—a raw materials war chest at the service of Washington's war confrontation drive against the Soviet Union.

There is no doubt that the Mexican government views its global energy initiative as a strategy to usher in a new world economic order, and is embarked on an international drive to mobilize sufficient international support to outflank the Washington-London austerity-war confrontation axis. France shares this view. Industry Minister Giraud stated that "international cooperation is the only possible response to the present dangerous situation," noting that the aim of world energy conference was to promote "economies of energy," and discovery and exploitation of new energy sources." President Giscard d'Estaing personally gave his "broad and definitive" support for a world conference, during a lengthy meeting with the Mexican delegation.

President Lopez Portillo's proposal has already received broad international backing, most recently from the Latin American nations gathered at the U.N. Economic Commission on Latin America's General Assembly in Bolivia two weeks ago, which issued a resolution calling on all nations of the world to make a "universal effort" to "exploit, distribute and consume energy with equity and justice. ..." The European

Economic Community endorsed the proposal in a public statement in March, at the urging of Giscard d'Estaing, while Iraq and Saudi Arabia, two key OPEC countries, have both issued parallel appeals for a consumer-producer conference. The Soviet Union could be expected to throw its political and economic weight behind the French-Mexican organizing effort. Lopez Portillo first introduced his proposal during a state visit to Moscow in May 1978, and Giscard discussed the need for a conference with the Mexican delegation to Paris on the eve of his departure on a state visit to the USSR.

Mexico's international organizing, and the working alliance forged with France last week, is undoubtedly aimed at the U.N. General Assembly sessions next September, where, Lopez Portillo has officially announced, he will put his "energy for development" plan before the nations of the world. Another likely forum is the scheduled September World Conference on Oil in Bucharest, Rumania, which Pemex director Diaz Serrano will attend.

As the Paris daily *Le Monde* noted, Mexico and France are in a unique position, because France, while an oil importer, is not a member of the consumers' cartel set up by Henry Kissinger in Paris in 1973, the International Energy Agency; and Mexico, while a major exporter, is not an OPEC member. In other words, their efforts cannot be construed as motivated by narrow "self-interest," and cannot be manipulated into a classic Kissingerian "consumer vs. producer" confrontation scenario. Mexico's "global" approach was well stated by Minister Oteyza, stating that Mexico does not intend to join OPEC, but that does not mean "in any way, (a) hostile attitude on our part toward that organization." "Our idea," Oteyza said, "has been different...consisting in (the belief that energy) is a matter of universal importance that affects producers

as much as consumers, big countries as well as small, capitalists and socialists, and that, consequently, it must be approached in that dimension."

Bilateral economic "association"

Last week's Paris meetings set up the mechanisms to begin to implement the broad-ranging accords for cooperation in Mexico's industrial development signed during the Giscard visit. Based on oil for technology, the Mexico-France economic "association" is exemplary of Mexico's strategy in using its oil wealth. As Pemex chief Diaz Serrano stated in Hamburg, where he travelled from Paris, Mexico will give preference in oil sales "only to those nations which help (Mexico) to develop its own industrialization."

At the suggestion of Mexican Industrial Development Minister Oteyza, "industrial project committees" will be set up to evaluate and promote a vast range of joint development projects. France especially is interested in aiding in Mexican port expansion, which would facilitate increased oil exports. Both Diaz Serrano and Oteyza spoke before 200 members of the French National Business Confederation, whose president, Francois Ceyrac, promoted investments in mixed enterprises in Mexico because it "offers the best conditions of stability and potential development in Latin America."

Of particular importance was the decision to step up French aid in developing Mexican nuclear energy capacity. While no specific plant construction deals have been signed, France has offered technical aid, technician training, and supply of enriched uranium, should the U.S. renege on its uranium supply contracts with the Lopez Portillo government. The chief of France's Atomic Energy Commission will visit Mexico this month.

—Mary Goldstein