

## ENERGY EXTRA

### Japan bungles Mexico oil bid

The failure of last week's visit of Japanese Foreign Minister Sunao Sonoda and Minister of International Trade and Industry Masumi Esaki to Mexico in pursuit of guaranteed supplies of oil for Japan has further underlined the continuing problems between the two nations.

The Japanese got far less than they were hoping for. Mexico agreed to supply Japan with only 100,000 barrels per day of oil in 1980. Informed sources report that Mexico refused to make a commitment to increase oil supplies over that amount after 1980.

This was the result of a series of bitter negotiations between MITI chief Esaki and Petroleos Mexicanos (Pemex) director Jorge Diaz Serrano. At one point the talks almost collapsed after Serrano proposed to supply Japan with only 50,000 barrels per day. Japan had hoped to receive between 200,000 and 400,000 bpd from Mexico.

The main cause of the stalled relations between the two nations centers around the Mexican distrust of Japan's commitment both to support Mexican President Jose Lopez Portillo's world energy development proposal and Mexico's effort to become an advanced industrial nation. This attitude has led more than one Mexican official to complain about Japan's still "feudalistic" view of the world.

In the talks, the Mexicans presented Tokyo with a broad vision of what they want Mexico to become. Mexican government policy was spelled out by Industrial Minister Jose Andres de Oteyza,

who told Esaki that Mexico wanted Japan to help out in steel, oil, port development, railroads and industrial investments.

The full sweep of Mexico's aims, however, were made most clear by President Lopez Portillo himself. Lopez Portillo told Esaki that Mexico is considering the potentials of a joint industrial development effort between Japan, Brazil, and Mexico.

Despite Mexico's promotion of its policy the Japanese are reportedly still maintaining a cynical attitude toward the Mexican approach, viewing Mexico's development as a series of "deals" Japan would have to make to "buy off" Mexico and receive large amounts of oil.

Moreover, Tokyo is extremely hesitant to become heavily involved in Mexico's industrial development efforts, for fear of alienating the United States, which has warned Japan to stay out of "U.S. territory."

For example, in the talks with Oteyza, Esaki went out of his way to give Japanese support to two major Mexican projects to develop industrial cities around new port complexes in Mexico. Mexico intends to build them in Las Truchas and Salina Cruz. Yet, according to one New York business source, the Japanese companies involved with such projects are dragging their feet because they don't see the projects' "commercial and economic feasibility." Even more outrageous, the Japanese and Mexican had a long argument over how Mexico should use \$500 million that Japan intends to pay in advance for Mexi-

can oil. The Japanese were insisting that the money be used solely to finance Mexico's oil industry.

#### Wishful thinking

The Japanese are pointing to the fact that Japan did get an agreement with Mexico for 100,000 bpd in 1980 as "proof" that despite Diaz Serrano's tough talk, the Lopez Portillo government was simply, in the words of one Japanese observer, "staging a drama."

That Japan could think Mexico is "bluffing" is quite amazing.

During the next few weeks, beginning Sept. 1 with his State of the Union address, and continuing into his Sept. 27 presentation to the United Nations of his proposal for a global approach to solving energy problems, Lopez Portillo is planning a major offensive in support of his world development policy, with the message to Japan that Tokyo either organize support for the Lopez Portillo energy policy or "go elsewhere for oil."

The Japanese, under Prime Minister Masayoshi Ohira, are showing little sign thus far of waking up. One of the most shocking indications of this is the fact that the largest Japanese business federation, Keidanren (whose chairman, Toshio Doko, is virtually supervising the Japan-Mexico relations from the Japanese side) has hired former CIA director William Colby to advise them on political developments in North America. Colby is one of the most hated American officials in Mexico for his long-standing view that Mexico, in Colby's words, "is a greater security threat to the U.S. than the Soviet Union."

Overall, the Japanese should have learned from their trip to Mexico that Mexico's oil is not simply "up for sale." The real price for Mexican oil is Japan's commitment to the future of Mexico's industrial revolution.

— Kevin Coogan and  
Tim Rush