

Dateline Mexico by Josefina Menendez

Behind the Díaz Serrano-Bush link

The Pemex chief is an old friend of the incoming VP; the Mexican left is abuzz . . .

To hear the leftist press and rumor circuit tell it, the fact that Pemex chief Jorge Díaz Serrano and the incoming U.S. Vice-President, George Bush, have a longstanding personal friendship, at the least spells black days for the nationalist cast of Mexican energy policy, and possibly even more serious dangers to the Mexican public.

The left Jesuit weekly *Proceso* led the pack with a frontispiece cartoon the week after the U.S. election in an issue which was otherwise one long lament over the Reagan victory. The cartoon depicted a jubilant Díaz Serrano kicking up his heels and doffing a Reagan-Bush campaign hat amidst a shower of confetti.

The friendship itself certainly exists, going back to a period in the 1950s and 1960s when Bush was president of the Houston-based Zapata oil drilling and leasing company, and Díaz Serrano was a partner in the Golden Lane Drilling Company in nearby Galveston.

Pressed by reporters immediately after the U.S. election, Díaz Serrano stated: "Mr. Bush is a distinguished man, he is a statesman, and is very knowledgeable on the problem of world energy. I am very pleased that he is there, in the vice-presidency of the United States." But he was quick to add that "this will not change Mexico's energy policies."

Most observers here recognize that it is highly improbable that the personal link will affect basic Mexi-

can policy. That policy is made in the president's office, not Pemex's, and Díaz Serrano has been indisputably loyal to López Portillo's directives.

Some have pointed out that the leftist attacks may in fact have more to do with efforts to scotch the Pemex director's chances of succeeding López Portillo to the presidency, than with sincere concern over compromising Mexican oil policy.

The real question that must be examined in the affair, however, is what kind of policy from the U.S. side might be channeled through this point of contact, along with others. And more than the "Bush connection," one must look at the broader Texas connection.

In this regard some statements from President-elect Ronald Reagan to a California Spanish-language publication, *Imagen*, last week, are particularly interesting to examine.

According to Mexico City wire reports, Reagan invited Pemex to enter the U.S. retail market and set up a network of Pemex filling stations in the U.S. He also proposed that Mexico beef up its electricity-generating capacity in its northern states, and sell the excess electricity to the U.S. Southwest.

He stressed that he wanted to give Mexico the opportunity to benefit from the "transformation" of energy "instead of selling energy exclusively as a raw material."

It is a point which will find a sympathetic hearing on this side of

the American border.

Pemex, in fact, bought into the Petronor refinery in Bilbao, Spain, two years ago in order to facilitate a direct entrance into the European retail market. It made a somewhat similar proposal to Japan last month. And Díaz Serrano stated early this week, when asked about the Reagan proposal, that Pemex has indeed been thinking about going into the U.S. market. We've run into some problems with "tax structures," however, he reported.

Reliable sources in the U.S. tell us that it's a group of Texans based around Governor Clements who are shaping the incoming administration's approach to U.S.-Mexico relations in the energy field, and that their advice lies behind Reagan's swift move to put some new initiatives on the table. George Bush also has longstanding ties to this Texas grouping.

It should be remembered that in the whole imbroglio over Mexican natural gas sales to the U.S. during the Schlesinger era, it was the gas companies based in Texas which originally brought negotiations with Pemex to a successful conclusion. The consortium had in fact worked out a credit line to Pemex of up to \$1 billion, largely from regional banks, as an adjunct to the gas deal itself and the \$600 million in Eximbank loans being processed in Washington.

It was a deal reminiscent of the kind of combination Japanese and some European companies routinely put together, but rare indeed from the United States. Will such accords become more commonplace under the Reagan administration? If so, U.S.-Mexico relations may well be improving in the months ahead.