

Mexico To Use Oil Reserves To Become Advanced Sector Nation

Jorge Diaz Serrano head of Mexico's national oil company, PEMEX, announced on Oct. 26 that Mexico has oil reserves which may be as large as 120 billion barrels — double any previous estimates and second only to those of Saudi Arabia — and will use them for a 20-year crash development program. The declaration was made during a special, two-day session of the Mexican Congress to discuss the construction of a pipeline to export gas from Mexico's Southeast state of Chiapas to the U.S.-Mexico border city of Reynosa.

Although the hearings were called specifically to discuss the gas pipeline, Diaz Serrano used the session to outline and discuss the details of the government's energy development strategy which, he emphasized, is aimed at transforming Mexico into an advanced-sector nation. Diaz Serrano explained that the core of Mexico's oil policy will be the rapid exploitation of the huge oil and gas deposits for both increased exports and domestic consumption. He made it clear that only such a program could solve Mexico's huge unemployment problem — an indirect reminder to those U.S. groups concerned with the influx of Mexican "illegal aliens" that Mexico's oil development must not be sabotaged.

The PEMEX official explained the 20-year schedule in the context of the rapid development of nuclear power. By the mid-1990s, he said, oil will be obsolete as a fuel source and will remain only as a raw material for petrochemical processing. What would Mexico do with billions and billions of barrels of untapped oil then? He recalled for the congress a recent government study which establishes guidelines for the development of nuclear power in Mexico; a generation from now, the study concludes, nuclear power should be the dominant energy source in the country.

The director of PEMEX also attacked the limits on foreign borrowing imposed by the International Monetary Fund which create problems for the financing of PEMEX's ambitious expansion plans. Diaz Serrano sarcastically noted that the IMF, with its great concern for helping the recovery of nations in economic trouble, would certainly not want to block the development of the one industry that can lead Mexico out of underdevelopment.

The ultraleftist sectlets inside Mexico who oppose the construction of the pipeline on spurious grounds of "endangered national sovereignty" were also strongly attacked by Diaz Serrano and spokesmen for the ruling PRI party in congress.

The following are excerpts of the opening statement of PEMEX Director Jorge Diaz Serrano Oct. 26:

Oil wealth not only offers a way of resolving our

current economic problems, but is the great economic axis which has been lacking since the beginning of our history, inhibiting the complete consolidation of the country. We can see in the future a new nation, not only permanently prosperous, but a rich country in which the right to work is a reality, and where wage levels permit a better style and quality of life

We must act without fear, since we will then have a negotiating capability which we do not have now. General Lazaro Cardenas (Mexican president from 1934-40—ed.) in his message to the nation (nationalizing oil reserves—ed.) on March 18, 1938, foresaw this when he told us: "The existence of the government itself would be in great danger if the state lost economic power, since it would also lose political power — resulting in chaos." . . .

The truth is that we are weak in comparison with our neighbor, and that 3,000 kilometers of border accentuate that weakness. But it is also true that our weakness is not inherent, nor does the border necessarily make us dependent. Whether we are below or whether we are on a par has depended and will depend ever more in the future only on our intelligence and will.

It should not be part of our character to wait until the cycle of history vitiates the vitality of the powerful in order for us to achieve parity with them. By no means. We should rather strengthen ourselves, with all of our many resources, and create with our labor a Mexico whose production and productivity equal present world norms. There is no better or straighter path.

The following are from the speech of Jesús Puente Leyva to the Mexican Congress Oct. 26 on behalf of the Institutional Revolutionary Party (PRI).

We are confident that the government of the Republic will effectively foresee all that is necessary so that the export of energy sources in the short term will gain greater economic and political autonomy for the country and change the modes of development and the concentration of income. The great challenge for Mexico, in this unique historical conjuncture, is to reach a new stage of economic expansion and social change, using the new resources generated by fuel export to fulfill national priorities. . . . In the next two years, at forced-march pace, our country must start broad ranging and ambitious programs, massively supported by specific projects, so that the additional foreign exchange will fortify the productive base of the country. The principal purpose will be to rehabilitate the agricultural sector, to guarantee our supply of food and raw materials, and give a healthy boost to strategic areas such as electric power, petrochemicals, steel, etc. This will ensure, at last, that the oil will be the bridge to Mexico's future.