

A: My coauthor, Eliot Marshall, is well-wired into Kennedy's office. His contact man over there is Kennedy's chief council and oil expert on the Joint Economic Committee (Jerry Brady — ed).

Q: *It struck me that perhaps Kennedy may be thinking of parlaying his interest in Mexico into an asset if he runs for President in 1980.*

A: He could pick up Bobby's support in the Mexican-American community . . . That fits in lots of ways. It would be very shrewd on his part.

B'nai B'rith: Slave Labor for Mexico

Warren Eisenberg, public affairs director of the B'nai B'rith outlined his organization's energetic lobbying effort in the U.S. to acquire more oil from Mexico. Eisenberg avoided discussing the obvious question of how this would be used to counter OPEC, but he did openly call for Mexico to implement the

World Bank program of deindustrialization and labor intensive jobs.

We have an enormous interest in helping Mexico to develop its oil wealth. Mexico has pressing economic needs aggravated by its tremendous unemployment, its high population growth, and other problems. Therefore, much more than the small Saudi Arabian population, it needs petrodollars.

Asked about which approach Mexico should take in the utilization of the revenues it is getting from oil exports, Eisenberg strongly supported the approach that proposes to invest in "labor intensive, agriculture jobs." After detailing the promising amounts of oil Mexico can provide the U.S., he added:

There is an energy crisis. The U.S. should conserve energy and explore alternative energy sources like solar energy. The problem is that the American people don't believe there is a crisis.

Wall Street Journal: Oil and Politics Don't Mix

On Aug. 30 the Wall Street Journal, under a John Huey byline, published a front-page assessment of Mexico's economic prospects which asserted frantically that Mexico has no idea of what to do with its oil wealth. In fact, the Lopez Portillo government has constructed a powerful package of investment programs for industrialization centered on capital goods production, steel, petrochemicals, and a national gas distribution grid. The Journal's contribution to the current economic warfare efforts to gain a hold on Mexican oil states in part:

Two years ago, in the waning days of Luis Echeverria's presidency, Mexico seemed near collapse. But since then, the tension that gripped this giant city has been soothed by visions of a sea of oil . . . But despite the oil-based balm, the cancers that have eaten away at Mexico for years are still afflicting it. Mexican workers, robbed of purchasing power by inflation, are raising their wage demands and calling for more and longer strikes. Soaring population growth defies solution. Farm problems persist. And the flood of illegal emigrants to the U.S. continues as the primary safety valve.

It is becoming clear, in the words of a U.S. State Department economist, that "the problems of Mexico won't be solved by oil, and its major problems may well be worsened by it." Indeed, adds a Commerce Department analyst in Washington, "There is a growing school of thought that oil could be very harmful to Mexico right now. It's providing an excuse — a crutch — not to solve the basic structural problems." Some even

compare Mexico's breakneck expansion of oil sales to a derelict selling blood in the morning to buy an afternoon bottle of wine.

" . . . We don't know what the real situation is," a wealthy Mexican merchandiser complains, "but we're tired of fantasies. If the government has a plan for this petroleum, it should publicize it. We know the oil is a postponement; we just don't know what it's a postponement of."

El Nacional: Yes They Do

A scorching reply to the Wall Street Journal article appeared in a Sept. 3 editorial of the semi-official Mexican daily El Nacional.

In contrast to the balanced, truthful, prudent State of the Union address of the President of the Mexican Republic, and inspired with the evident intention of undermining the address's positive effect in the center of U.S. and world finances, New York, the *Wall Street Journal* . . . published an extensive feature two days earlier, which is a disgusting mixture of facts which we have never denied and echos of Cassandras who in our society have specialized in predicting catastrophes and maintaining the suicidal image of Mexico as irresponsible, uncaring, (and) wasteful. The old imperialist thesis that oil does not mix with politics because it is the special province of "free enterprise," shines clearly in the background of this false and malicious article . . .

From Wall Street, a lot of credit (is provided) to Mexico because it has oil; but (there are) many predictions of disaster because we do not permit plutocratic interests to tell us what to do with it.