

way that their oil dollars will be used to stabilize the free world economy." In addition to pooling OPEC and Japanese funds for capital investment, Fukuda announced that the government would support petrochemical projects in Saudi Arabia and Iran, as part of a larger effort at aiding OPEC industrialization. And he reportedly went over the "greening of the deserts" proposal recommended as part of the \$500 billion global development report of the Mitsubishi Research Institute.

Sheik Yamani of Saudi Arabia proposed oil-for-technology deals. He told Fukuda that Saudi Arabia would like to sell oil directly to Japan, bypassing the oil multinationals. In a future oil crisis, he pointed out, Japan could not expect consideration from the multinationals. Direct deals would be approved only if Japan implemented technology transfers to Saudi Arabia, Yamani added.

Similarly in Iran, Fukuda and Premier Jaafar Sharif-Emami agreed to find ways to sponsor joint research on alternate energy sources, including nuclear power, as well as ensuring a transfer of technology. No specific projects related to this have been announced as yet.

Fukuda told his cabinet that he had won understanding from OPEC for either an oil price freeze or a low increase in order to avoid destabilization of the dollar.

Prior to the Fukuda mission, former Industrial Bank of Japan chairman Sohei Nakayama led the third annual meeting of the Middle East Cooperation Center with representatives from 14 Mideast countries to plan further technology transfer projects. As a result of the "Bremen East," offensive, Fukuda's political strength is soaring. From a dismal 20 percent popularity in the beginning of the summer, approval

Fukuda: Oil for technology deals for Japan and Mexico

Japanese Prime Minister Takeo Fukuda, in a Tokyo interview with Mexican newsmen Sept. 26, outlined his conception of long-term cooperation for development between his country and Mexico. The interview, excerpts of which appear below, came in the midst of intense preparations for the López Portillo trip to the Far East later this month, including daily interviews and features in the press of the two countries, and a stream of back-and-forth visits by businessmen, congressional deputies and government officials. Excerpts are taken from the Mexican dailies El Nacional and El Universal.

When President López Portillo visits Japan, I wish to conduct frank conversations with him on the international situation and on the possibility of economic and technological cooperation, including disarmament questions.

In economic terms, I think that our relationship is fundamentally complementary, since Japan has scarce natural resources, depending on the

export of industrial products and capital goods, while Mexico is rich in oil and mineral resources and is sponsoring numerous industrial projects. Thus economic relations are not limited just to trade. Rather, we hope for a broadening of economic cooperation in which Japan would offer Mexico the financial and technological means needed for the industrial and agricultural development of that country.

Mexico Responds: "Industrialization in specific areas"

The Japanese interest in Mexico is fully reciprocated at the highest levels of Mexican government, and in strikingly similar terms. Below, the Executive Intelligence Review presents sections of a press conference held Sept. 27 by Petróleos Mexicanos director Jorge Díaz Serrano, together with the Mexican minister of Natural Resources and Industry, José Andrés de Oteyza. Díaz Serrano endorsed the formulations Fukuda used in his press interview the day

before, but firmly rejected the pressure of segments of Japanese business who have demanded that Mexico cut its oil prices as a precondition for increased Japanese investment and trade. Excerpts from Díaz Serrano's remarks follow:

We have great interest in the market of the Orient, and Japan is the largest international consumer after the United States. We are doing everything possible to find a formula to sell them crude and refined products. We cannot sell cheap, nor lower prices. Even if they should wish it, we cannot do it.

What interests us greatly is having cooperation with Japan in other areas. . . industrialization in very specific areas, such as capital goods and heavy industry, and Japan has a great deal of experience in this field. Hence, during the visit of President López Portillo, we may possibly find some arrangement. . . in terms of technology exchange, joint investments and investments.

A situation of selling oil just for the selling of it simply doesn't interest Mexico.