

# 'Energy for growth'

*Mexico's President puts daring new plan before UN*

This week Mexican President José López Portillo announced that he will soon put before the United Nations a proposal for agreements in world energy production and distribution keyed to take energy out of the realm of speculation and economic warfare, and place it at the service of generalized economic development. The West German daily, *Frankfurter Allgemeine Zeitung*, immediately underscored the significance of this move in an article stating that the Mexican President's proposal will prove the basis and direction for discussion of the new world economic order.

Mexico's initiative has been endorsed by the European Community heads of state, on the urging of French President Giscard d'Estaing. It is complementary to a Saudi proposal for an oil producers and consumers conference, also endorsed by the EC. Representatives of the EC and OPEC are now in discussions over implementation of the proposals, which spell the end of the oil majors' domination of world energy markets.

The general thrust of Mexico's initiative, taken to world opinion with increasing forcefulness and detail by López Portillo since his launching of the concept during a state trip to Moscow almost 11 months ago, is to arrange state-to-state treaties in energy matters which establish order in international oil markets and expedite transfer of energy technology—in oil, nuclear and all other areas—to energy deficient regions and the developing sector in general.

*El Nacional*, the semi-official newspaper of the Mexican government, highlighted the proposal's significance for the U.S. in an unusual front-page editorial April 11. López Portillo's UN drive is the answer to "Mr. Schlesinger's myopic, ... arrogant and close-minded attitude," the paper stated, referring specifically to Schlesinger's wrecking efforts against U.S.-Mexico energy cooperation, but drawing a lesson generally appropriate for U.S. critics of Schlesinger's zero-growth energy policies.

While primarily designed to wrest control of world energy production and allocation from the hands of London and Schlesinger, the Mexican push simultaneously cuts the ground out from under the "Western

Hemispheric strategic reserve" conception, whereby Mexico's oil and, in fact, all resources of the Western Hemisphere would be placed at U.S. disposal as a backup to Anglo-American war confrontations.

And little wonder that Mexico has shown a chilly attitude to the eight-nation Organization of Petroleum Exporting Countries as well as nonmember oil producers meeting arranged by British energy officials to take place in London sometime in the next months, and by all signals designed to keep development considerations out of a renewed energy cartelization drive.

López Portillo has repeatedly stated that energy must be made the "patrimony of humanity" if World War III is to be avoided. And he has no illusions about just how close such a global conflagration is. "The horsemen of the apocalypse are galloping," he says.

Look for a vigorous Mexican diplomatic effort behind its energy proposal in the weeks ahead. Will U.S. constituencies speak out for it?

—Tim Rush

---

## Chronicle of Lopez Portillo's diplomacy

*Over the past year, Mexican President José López Portillo has stated his commitment to the use of his country's oil reserves for development. A brief listing of his remarks appears here.*

### **Moscow, May 19, 1978**

As reported in the Mexican press: The Mexican President yesterday called upon all humanity to establish an international finance system keyed to the optimal rationalization of energy resources.

In the course of a press conference called at the conclusion of his three-day stay in Moscow, he spoke of the necessity of establishing (such) a financial system. He added that the system could be based on funds

freed by disarmament, (and that its purpose would be) that developing countries, dependent on oil but not oil producers, have sufficient means for energy development.... Energy resources must be considered the patrimony of humanity.

#### **Japan, Oct. 30, 1978**

Energy, from current and future sources, with associated technology, is the key to peace and world development. Now is the moment for us to realize that, to win peace, we must launch an effort to bring international politics into accord with the yearnings for justice among so many prostrated countries, in the interests of the health, welfare, and genuine progress of humanity. It means the definitive abandonment of the different forms of coercive unilateral action.

World economic problems must be viewed in a global perspective. And in a global perspective also must be viewed participation (in decisions), because it is neither democratic nor viable that one country or group of countries carry out partial solutions. We need approaches which are the fruit of worldwide good-faith negotiations...

Energy must be the point of agreement of views so that the international community can find solutions to its problems in a shared and equitable way. We, the energy-possessing countries, approach the problem with humanist criteria, and we are open to the indispensable interrelation required. We are asking for transfer of wealth in exchange for our perishable resources. And also, that energy technology be shared so that all energy sources, current and future, can be taken advantage of by the countries in which they are found...

#### **Mexico, Feb. 5, 1979**

I want to declare that the use of our resources—and here I'm referring exclusively to our oil resources—will only be made for the purposes of the national interest: only that which serves the country; never distortion due to bilateral greed...

Only a higher, collective and generally observed reason could cause Mexico to deviate from or add to its oil production program. World opinion permits us to consider energy as the patrimony of humanity—to the extent we are all obligated and committed to consider it so by a new economic order—from the production process through distribution to consumption. What we cannot allow is that specific interests disfigure systems of production. These systems belong to, and are at the service of, their respective nations. To the degree that we establish a higher order, we will try to agree on solutions to the energy supply needs of all countries, strong or weak. To us, there is no difference between the needs of one or the other group....

#### **Feb. 11, 1979**

*The following is an excerpt of López Portillo's interview with Dan Rather of CBS' "Sixty Minutes."*

**Rather:** *Mr. Schlesinger continues to strongly pressure for the building of a gas pipeline which would satisfy the long-term natural gas needs of the U.S. A well-informed American in Mexico told us a few days ago that if this is also the point of view of Mr. Carter, it would be a waste of time for him to come to visit you (Feb. 14-16); that in that case there would be nothing more to discuss in terms of future energy relations. Do you agree?*

**López Portillo:** *No. The question of energy is not exhausted in exchanges between Mexico and the United States... Unfortunately these matters are treated this way, in a conjunctural way, because of the presence of a gentleman (Schlesinger) who has a certain opinion about the specific possibility of one outcome. For our part, we would be delighted if the most powerful country in the world presented the energy problem not as the problem of the United States, but as a fundamental factor in the rationalization of the world economy. And on this matter there is a great deal to discuss with Mr. Carter, much more important than the modest four percent of our gas which we can sell at this time. Mexico is a country with important reserves, ready to enter into serious negotiations to rationalize production, distribution and consumption of energy so that they do not continue being a factor of disarray, imbalance and risk of war....*

#### **Feb. 16, 1979**

*From the joint communiqué issued by President López Portillo and President Carter:*

The leaders had a wide-ranging discussion on energy, which included both its bilateral and global aspects. They agreed that it is not possible to separate energy resources from economic development, not only for countries who have them, but for countries that do not have them, and because of this, an economic order should be sensitive to the necessity to provide for the needs of the poor, and investment should be directed so as to encourage their industrialization.

Taking into consideration Mexico's potential as an energy-producing country, President López Portillo reiterated that energy resources must be considered as the patrimony of mankind, so that the production, distribution, and consumption of these resources may be made in an orderly and rational fashion, and so that all alternative sources of energy be developed, including the financing and transfer of technologies that are accessible to all developing countries.

President Carter expressed interest in this idea and willingness to explore these subjects further.