

Misinformation Campaign Hides Schlesinger Sabotage of U.S.-Mexico Energy Cooperation

Early this week U.S. ambassador to Mexico Patrick Lucey told the Mexican press that he believed U.S. steel companies, unhappy that they copped only one-sixth of the steel contracts for Mexico's gas pipeline to the U.S. border, were behind a recent Congressional resolution introduced by Adlai Stevenson (D-Ill.). The Stevenson resolution calls on the U.S. Eximbank to hold up a \$590 million loan to Mexico until Mexico's asking price of \$2.62 per thousand cubic feet can be driven down.

A day later Mexico's most well-known daily, *Excelsior*, informed its readers that U.S.-based oil multinationals were behind Stevenson's move. These giant multinationals, the paper suggested, wish to sabotage energy imports altogether and reap the benefits of artificially high prices in the U.S. In a follow-up editorial, the paper named the Rockefellers and related oil interests as the real culprits.

Both claims are preposterous. Top U.S. steel executives contacted by the *EIR* have emphatically stated their fear that Stevenson's resolution will lead Mexico to simply cancel the Eximbank loan — and with it the portion of pipeline contracts that they *have* won. And no one familiar with Stevenson's energy stances in Congress would believe for a moment that he is the mouthpiece for the nation's major oil companies. Senator Lloyd Bentsen (D-Texas), widely regarded as a spokesman for such multinationals, introduced a statement into the Congressional Record at the end of the week strongly condemning the Stevenson resolution.

But in Mexico the misinformation campaign has so far run unchallenged with the danger of drawing in the progressive nationalist sectors of the Mexican Congress, headed by the "economists group," among the most vociferous advocates of rapid Mexican energy development in a framework of U.S.-Mexican cooperation.

The Facts

Stevenson's office itself remains very clear on the matter. As stated to the *EIR* a week ago and reconfirmed

this week, they consulted "solely with the Department of Energy" in formulating their resolution, with the aim of "giving Schlesinger more leverage" in forcing Mexico's price down to "reasonable levels." Sources in Washington involved in U.S.-Mexican relations state with dismay that their inquiries have established clearly that it is the Department of Energy which is willing to sink the Eximbank loan in a dubious tactic of strongarm pressure against Mexico. "There's no doubt about it. The Department of Energy plans to sit on the loan. The loan may not go through."

Schlesinger is exploiting a domestic U.S. energy squabble to cover for his own moves. Texas independent gas producers, beginning in August, seized on the Mexican gas price issue as a bargaining chip in their fight for deregulation of gas prices in the U.S. To dramatize the discrepancy between the Mexican price and current regulated interstate prices, they brought action before a Washington regulatory agency to stop the Mexican imports unless U.S. producers can raise prices in a like fashion. Gas pipeline companies who lost out on the original bidding for the Mexican contracts are demanding the Mexico gas deal not to go through until there is reallocation of the U.S. distribution rights.

But as a strong current within the gas industry, U.S. exporting interests, and officials who are opposed to Schlesinger within the Department of Energy are insisting, U.S.-Mexico energy cooperation and a strategy of high-technology U.S. exports, as exemplified in the gas pipeline project and the Eximbank loan, must not be held hostage to domestic in-fighting. Many knowledgeable U.S. spokesmen, including a high official of the American Association of Chemical Engineers, have gone on record as favoring Mexico's price of \$2.62 per thousand cubic feet, based on the equivalent price of imported oil. But it is clear that even those who would like to see the price somewhat reduced have their best chance of success in fostering a climate of full U.S.-Mexican cooperation around rapid industrialization and energy development south of the border.