

## 'Modernization the only road for Mexico'

Last week, Mexico's President José López Portillo led the dedication ceremony for a Mexican plant that will produce world-class oil drilling equipment of Mexican design. This is a first for Mexico: only the United States, the Soviet Union, and Romania currently possess such technology.

"Accelerated modernization brings advances and, without doubt, it brings pain," said López Portillo, making reference to the oil spill from the Ixtoc-I well. "The lags are more evident than the advance. But it is the only road. ... Let us not cancel the single option for progress that we have. Let us courageously face progress and modernization. We cannot continue re-apportioning misery: we must create wealth ... "

Mexico's Industry Minister Oteyza was clear on the same point in a statement he made last week: "All developing countries must run the risks inherent in development. After the [Three Mile Island nuclear] accident in the U.S., we were asked if we would slow down our nuclear development. My response was unequivocal. We will take all precautions ... but we will not slow down nuclear development. We have the obligation to accelerate it. The same for Ixtoc-I."

### Campaign against Pemex

Both inside and outside Mexico there is opposition to the President's policy to use Mexico's vast oil wealth to industrialize. Opponents are waging a sensationalist campaign designed to discredit Mexico's state-owned oil company Pemex around the Ixtoc oil accident.

The *New York Times* charged July 29 that faulty Pemex engineering was the cause of the accident. The Swedish daily *Dagens Nyheter*, on July 24, headlined a front-page article: "Oil Catastrophe the Fault of the Company." Its source was "engineer" Herberto Castillo, head of the Mexican Workers Party and a bitter critic of Mexico's 1977 decision to rapidly build up the oil industry. "Keep it in the ground" was Castillo's cry. *Dagens Nyheter* cites Castillo's charges that the cause of the accident was that Pemex was developing resources "too fast."

And on July 30 the French weekly *Le Nouvel Ob-*

*servateur* covered "The Murder of a Sea." "Is this the beginning or the end of everything?" The weekly then charged Pemex with indifference in the face of the accident.

In Mexico, an alliance of the "left" and "right" wings of antiprogress forces has brought together the Mexican Communist Party and the fascist National Action Party in calls for the resignation of Pemex Director Jorge Diaz Serrano.

But Pemex workers are backing the oil company. In a national manifesto, they charge: "... it's obvious that there are foreign interests in collusion with unworthy Mexicans. ... These interests want us to sell our gas cheap and waste our oil." The semi-official daily *El Nacional* condemned the members of the Seven Sisters multinational oil cartel, based in the U.S. and Britain, as "the most interested parties in creating a controversy around our oil."

## Diaz Serrano: 'Ixtoc is not a catastrophe'

*In recent days, the director of Petroleos Mexicanos, Jorge Diaz Serrano, has moved to counteract the sensationalist campaign surrounding the Ixtoc-I oil accident. We reprint below excerpts from two major interviews, not otherwise available in English. The first is with Excelsior on July 31.*

**Q:** *To what do you attribute the enormous campaign raised against Ixtoc? Are there foreign interests involved?*

**A:** I don't know ... [but] I believe oil is the most coveted commodity at this moment and it wouldn't be surprising if there were individuals who wish to prevent Mexico from moving ahead in its march toward progress, in its growth, above all, in its independence ... [individuals] who wish Pemex to return to the former times when work was carried out with foreign participation in production (Mexican oil was nationalized in

1938—ed.). Pemex has not done this since 1938 and we do not intend to do so now.

**Q:** *From various statements, it is clear that Pemex is hurrying to find new oil deposits. If we are seemingly exploiting the oil indiscriminately, how is Mexico to participate in the proposition President López Portillo will make to the United Nations, that oil be declared the "reserve of humanity?"*

**A:** Everything in your question indicates that you believe the taste for oil will last a long time and the oil itself, only a short time. ... I wish to inform you that the figures on our reserves indicate very clearly that, at current consumption, we have oil for 60 years. This is a goodly period of time if you think that the highly developed countries are fully decided on finding substitutes for oil.

*The following is from a Mexico City press conference which Diaz Serrano held on July 27.*

I repeat, gentlemen: [Ixtoc] is a serious accident, but not a catastrophic one. There is no way accidents can be totally avoided given the rate at which Pemex has been drilling over these last years. We can hardly speak of catastrophe at the very moment in which we are discovering enormous quantities of energy.

... Petroleos Mexicanos can be improved. We've been wrong and made mistakes. But at the same time, we're an institution that has overcome obstacles which seemed insurmountable. ... In the last two years Pemex has, through hard work, launched Mexico into the international arena, not at the mercy of other nations, but as master of its own resources and with ample maneuvering room in negotiations.

We will forge ahead with optimism in the tasks of oil development. We will advance, calculating the risks, but aware that if we were to turn back, the dangers would be greater.

... At no time has Pemex attempted to misrepresent what we know, or attempted to cover up or minimize the accident. We are a serious and responsible institution which faces its difficulties with seriousness and experience.

**Q:** *What will happen if the oil spill reaches the U.S.?*

**A:** ... I can't answer that. We will have to wait and see if it reaches [the U.S.].

**Q:** *I would like to know if Pemex's international image has suffered in regard to financing, etc.?*

### The truth about Ixtoc-I

On June 3, 1979, Mexico hit one of the most extraordinary oil deposits in the historic string of finds dating back to 1972. When the Ixtoc-I exploratory well broke into an oil-bearing pocket some 3,000 meters below the shallow Gulf of Campeche, the pressure was so great that it blew out the drilling apparatus. The existing technology could not hold it.

Due to the pressure, attempts to cap the well failed and Petroleos Mexicanos (Pemex) has been forced to drill two relief wells next to Ixtoc-I which will eventually disperse the pressure over a wider area. Best estimates project a capping by late August. According to information released July 30 by Pemex Director Jorge Diaz Serrano, there are some 15 other such uncontrolled wells around the world, four of them marine.

The oil spill from the well, approximately 20,000 barrels a day, has stayed offshore due to the Mexican Gulf currents. The potential for environmental damage is speculative and will not be of any lasting effect.

**A:** ... Our production has not been affected, since this was an exploratory well. We were only seeking geological information. Our offshore production is proceeding normally and our relations with the banks, the financial institutions and in oil circles are good ...

**Q:** *Are we to understand that there are groups that are interested in curbing our oil production?*

**A:** We believe that the Mexican petroleum industry is making its presence strongly felt on the international level. ... It's logical that there are certain groups, which I cannot name, that have an interest in Mexico not becoming an independent country and an important exporter.

**Q:** *Are the pressures from these sectors which are interested in reducing Mexico's oil potential domestic or foreign?*

**A:** I believe these pressures are entirely foreign. I don't think there are some Mexicans who don't want our oil industry to move forward. I don't believe that there are people in Mexico who deliberately try to impede the progress of our nationalized oil industry.