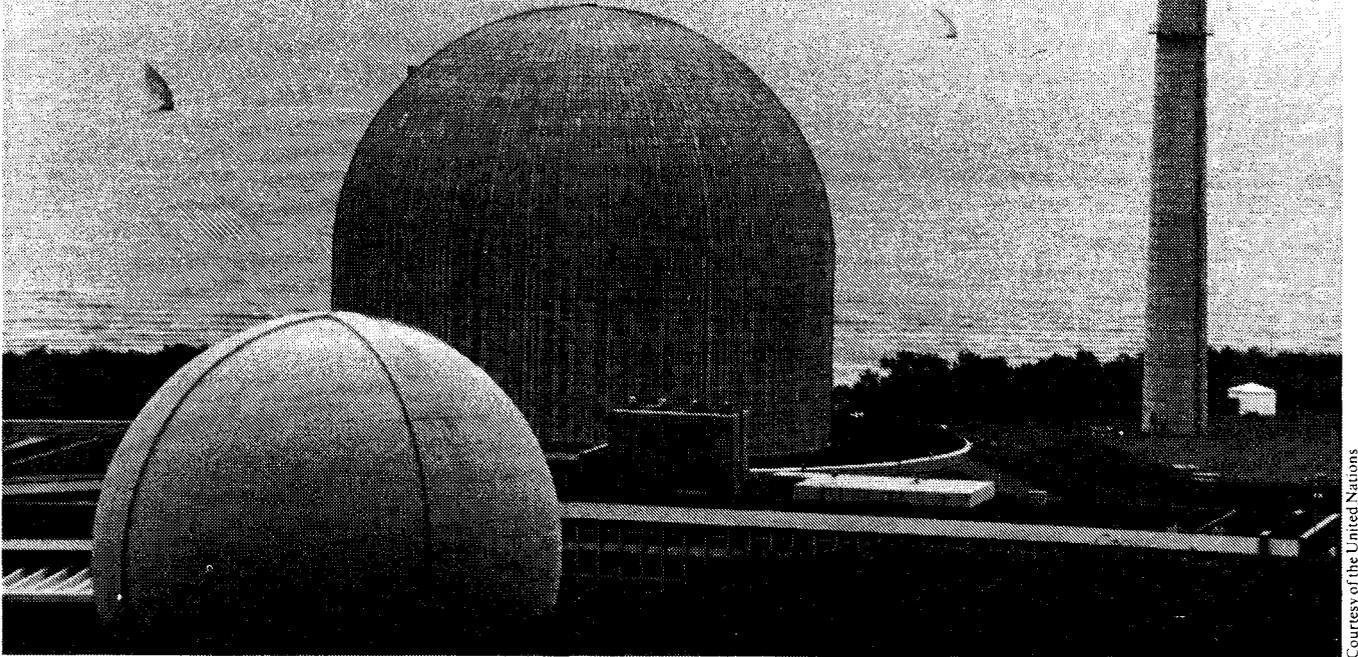


# Mexico-India economic deals based on high technology and energy exchange

by Elsa Ennis



Courtesy of the United Nations

Every one of the areas of bilateral economic collaboration discussed last week by President José López Portillo and Indian officials had a common denominator: a commitment to exchange scientific and technological breakthroughs made by both countries, primarily in the areas of nuclear energy, oil development, and agriculture.

Although only one formal agreement was actually signed during the talks, through which Mexican and Indian agriculture research centers will exchange know-how and scientific advances, the two governments agreed on completing joint protocols during the course of a year in the fields of oil exploration, chemicals, fertilizers, and science and technology.

A tour by President López Portillo of the Bhabha Atomic Research Center (BARC) near Bombay was played up by both governments as a high point of his visit to that country. After visiting BARC, the Mexican president opened a press conference by enthusiastically commenting that "India's efforts to maintain its identity and to modernize seem to us extraordinarily stimulating. . . . We think that [India's] experiences in the

nuclear area can be extraordinarily useful to us both in energy and agriculture as well as in medicine."

The Mexican president has expressed similar enthusiastic views on nuclear energy in previous visits to such countries as the Soviet Union, France and Japan, but his words in India had a special meaning for him and for all of Mexico. The Mexican press and the president did not hide their delight and surprise at seeing how India, an underdeveloped country like theirs, is striving to develop a pool of scientists and skilled manpower that now rivals that of the most powerful countries in the world.

The national path India is taking, said the *Diario de México* in an editorial Jan. 28, is a "wonderful movement of authentic independence and progress. . . . That example alone is sufficient to convince us of the necessity of changing certain proceedings" in Mexico.

What the Mexican press and politicians were thinking about is that up to now Mexico has not fully understood, as India has, the necessity of building a large and highly trained labor force as the basis for an independent, modern, industrial country. While Indian technicians are now building such advanced technologies as a fast breeder reactor based on the French Phoenix reactor, and are capable of building heavy water reactors from beginning

*The BAR Center in Bombay.*

to end, Mexico's nuclear research is still underdeveloped. Construction of its first 1,300 megawatt nuclear plant in Laguna Verde, Veracruz, has been dragging on for years. It will only come on line starting in 1982.

India's application of nuclear energy to agriculture was played up as a key component of the agriculture deal completed last week. "Mexico was privileged to provide technological aid, such as improved wheat seeds to India," said President López Portillo in his press conference. He described how Mexico's improvements of food crops such as wheat and corn during the 1950s and 1960s were applied on a massive scale in India." Now, the genius of this extraordinary country has gone beyond us in many technologies and can in turn help us," said López Portillo.

Given the two countries' huge food requirements and especially their cereal deficits, the importance of this high technology-based agriculture deal cannot be underestimated. Last year, Mexico's inadequate food production forced it to import 10 million tons of cereals from abroad, primarily from the United States.

Even López Portillo's agriculture adviser, Cassio Luiselli, one of Mexico's most outspoken proponents of Maoist self-subsistence agriculture, praised this high-technology approach. In a press conference in New Delhi, he announced that the main areas of agriculture collaboration will be nuclear energy, biochemistry, and fertilizers, and said that "India has achieved a real revolution . . . and that is what we are going to do in Mexico with wheat and with corn; we must make a revolution in productivity".

According to Indian government spokesmen, Indian officials also proposed to exchange Indian nuclear know-how for Mexican oil technology to be used in India's vast oil-development projects. They also asked for an increase of Mexican oil exports to their country, now about 30,000 barrels per day.

The increase of oil imports from a stable ally such as Mexico would be of utmost importance to India, which now imports more than 50 percent of its oil needs and spends 70 percent of its foreign exchange on those imports—most of which come from the unstable Persian Gulf area.

Asked to detail what Mexico's response to the Indian request was, President López Portillo explained that although his country has set a limit to oil production and exports in order to not disrupt its economy with "undigestible" foreign exchange revenues, it could surpass such a limit if "a world plan [is created] that guarantees the existence of an international fund which can prevent foreign exchange . . . devaluations and other problems."

This is the Mexican president's "world energy plan," a plan to rationalize and increase world energy production, which the Indian government has explicitly endorsed.

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## INTERVIEW

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# Malaviya on the importance of Mexico

*The following are excerpts from an exclusive interview conducted in New Delhi on Dec. 18, 1980, the eve of the Gandhi-López Portillo summit, by our bureau chief Paul Zykofsky, with Mr. K. D. Malaviya, one of India's most prominent political leaders and elder statesmen. Mr. Malaviya, who is 77 years old, is a veteran of the independence movement who joined the Indian National Congress in 1920 and became one of the closest associates of Indian leader Jawaharlal Nehru. Mr. Malaviya served in the Indian cabinet in various posts over a 25-year period beginning in 1952. He is best known as the creator of the Indian national oil industry, having served as minister for petroleum and chemicals for more than 12 years, during which time he founded the state-sector industry and initiated the oil-exploration and development program. Today he is a Congress Party leader, an adviser to the prime minister, and the publisher of the India science magazine, Future India.*

**EIR:** Mr. Malaviya, as the founder of India's state-sector oil industry, did the example of Mexico's oil expropriation and subsequent development of its oil resources influence you in any way?

**Malaviya:** Yes, it did. What inspired men like me was the decision of the Mexican government under President Cárdenas to take over the petroleum industry entirely from the American and British multinationals. I believe that was sometime in 1937 or 1938.

It was a daring action taken under severe conditions of limitations of finances and industrial equipment, and indeed the Indian decision to undertake the finding of oil by its own efforts was to a great extent inspired by Pemex, the oil company of Mexico. . . .

The decision that was taken to nationalize the petroleum industry and expel foreign oil companies was a very complicated and difficult task for the leaders of Mexico. Yet the great vision of such a decision backed by the Mexican people shook the world at that time. I often feel that it is a people who make their country great. Mexico is one of the finest examples of this lesson.

As you know, the program of learning the know-how of oil prospecting and exploration was a difficult one, not only because of the reluctance of the neighboring country to pass it on to Mexico, but also because of the inherent economic underdevelopment and lack of suffi-