

ENERGY INSIDER

Latin America backs Mexico's call for universal dialogue on energy

In a ministerial-level meeting in San Jose, Costa Rica this weekend, the Latin American Organization on Energy (OLADE) gave its support to Mexico's President Jose Lopez Portillo's call for a "universal dialogue" on energy which would bring together the advanced capitalist sector, the Third World, the oil producer countries and the socialist sector. The Mexican representative at the meeting, Industry Minister Jose Andres de Oteyza, explained that when President Lopez Portillo presents his energy proposal at the U.N. General Assembly on Sept. 27, he will be representing not only Mexico's position on energy, but the entire "Latin American bloc's position."

The OLADE decision, incorporated in a document called the "Resolution of San Jose," delivers a blow to the Anglo-American groups' campaign to impose a draconian austerity regime over the world as a way to resolve the energy crisis they themselves provoked. In his speech to OLADE, Oteyza took special care to expose the international press campaign to blame OPEC for the oil price increases that have hit the international markets. "It is a fact that the recent price increases were initiated by the oligopolistic companies which control the market. This has yielded them enormous profits," he said. The OLADE resolution backed the call OPEC recently made to "open a dialogue between industrialized and developing countries."

The Latin American energy ministers' resolution incorporates the essence of Lopez Portillo's proposal to reorder the world system of energy production, distribution and consumption. It asserts the nations' sovereignty over their natural resources, denounces the multinationals' speculative practices by calling for the shut off of "parallel markets," i.e., the oil spot market of Rotterdam, and ties the solution to the energy crisis to the transfer of advanced technology and financial resources from the advanced sector to the Third World, as a precondition for the formation of a New World Economic Order.

This "triumph of Mexico's foreign policy," as Oteyza called it, is an important step in his country's efforts to get an international consensus of support for the Lopez Portillo proposal before he brings it to the U.N. Mexico is already preparing to present the proposal at another major international forum: the Non-Aligned nations' meeting in Havana at the beginning of September, which Mexican representatives and probably President Lopez Portillo himself will attend as an observer.

Although the "Resolution of San Jose" was a success for the international forces that are fighting for energy growth and an international dialogue, it also showed some weak points. In promoting the development of alternative energy sources, it does not define which alternatives those are and, more important, it does not

put emphasis on the development of nuclear energy, the cheap, plentiful energy source required for a resurgence of the world economy and particularly for Third World development.

There are indications that there were also discussions around a special petrodollar recycling fund for the Third World, an idea which the Mexicans have warned against. In the past, Venezuela and other OPEC countries have promoted such a program along lines easily converted into a slush fund for Third World debt repayment, to the delight of the International Monetary Fund. Oteyza warned the rest of the OLADE ministers that a petrodollar recycling fund set up by international private banks in 1973 "was of no use at all." "What the developing countries really need," he said, "are mechanisms which link the transfer of financial and technological resources to specific projects which allow the expansion and diversification of sources of energy in the poor oil-importing countries." This is Lopez Portillo's energy proposal.

The OLADE resolution, calling for Lopez Portillo's "universal dialogue," comes as U.S.-directed efforts to cordon Latin America off as a U.S. strategic energy reserve—open to the Europeans and Japanese only on political blackmail terms—have been stepped up. According to the *Washington Post*, the U.S. government is seriously considering contributing the main quota of a billion-dollar Inter-American Development Bank fund for energy exploration in Latin America. The funds would be assigned only to looting of "alternative energy sources," such as Brazilian biomass or shale deposits, as well as Colombian coal, Argentine oil, etc., in programs severed from real industrial development. The possibility of nuclear energy development in the area is not even considered.