

Dateline Mexico by Josefina Menéndez

Bankers threaten nuclear program

In the wake of the peso devaluation, Mexico's nuclear power development program is at the top of the chopping block.

The Mexican government is seriously considering cancelling, or at least postponing for a considerable time, its nuclear programme worth more than 30 billion at current prices, "because of the country's economic difficulties," the *Financial Times* of London said April 2.

I can certainly attest to the accuracy of the British paper in describing, *not* what the López Portillo government is thinking, but what *Mexico's creditors* in London and the International Monetary Fund have in mind. Since the 40 percent devaluation of the peso in February, banking officials in the U.S. Federal Reserve, the IMF, London, and Wall Street have been demanding that Mexico cut back on many of its planned capital-intensive projects. The country's nuclear program has been especially targeted because it represents the "spearhead" of the López Portillo strategy to make Mexico an industrial power by the year 2000.

The bankers think nuclear is vulnerable because it is just "taking off." Mexico has only one nuclear plant under construction, the 1300 megawatt plant of Laguna Verde. Several companies from the United States, Canada, France, Sweden, and Germany are now bidding for a contract to supply a second, 2300 megawatt plant whose construction is scheduled to start next year. Bankers have put special emphasis on the scrapping of this latest project, but the same *Financial Times*

article made it clear that they are interested in having the *entire* nuclear program (which calls for a 20,000 megawatt nuclear capacity by the year 2000) at least drastically delayed.

For the moment, the bankers' strategy is to make sure the López Portillo government doesn't announce the winner of the bidding next August as scheduled. They are demanding that instead the government present the PRI candidate, who will therefore be the next president, Miguel de la Madrid, with a "study" of the contract bids submitted by the nuclear suppliers. Once under the control of the new administration, the scenario goes, the project and the entire nuclear program could be "studied to death," as the *Financial Times* says.

It is not that the PRI candidate is against the nuclear program. It is too early to determine that. Nonetheless, the IMF and the rest are counting on the influence of the Wharton School's "go slow" strategies promoted by some of de la Madrid's closest advisers. The "go slow" forces are represented by Carlos Salinas de Gortari, director of the PRI think tank, IEPES, and Manuel Bartlett, Secretary General of the PRI. Both officials have been associated with recent efforts to make of the powerful PRI a European-styled "greenie" party.

Although the PRI has been somewhat tainted with "greenie" overtones, that party remains one

of Mexico's strongest institutional vehicles for progress and modernization. Therefore, the country's creditors have a better ally in two other parties. They are the "right-wing" Party of National Action (PAN) and the leftist Social Democratic Party (PSD), both tracing their roots to the fascist networks of Franz-Josef Strauss in the European Christian Democracy. The two parties' presidential candidates for the elections July 4, Pablo Emilio Madero from the PAN and Manuel Moreno Sanchez from the PSD, are running explicit campaigns against the nuclear program and other big state development projects. In an interview with the Monterrey-based daily *El Norte* April 10, Madero called the nuclear program "absurd" and made a point of expressing his loyalty to the opponents of Mexico's development by saying that "it is very good that the World Bank and the Federal Reserve of the U.S. are pressuring Mexico to cut public spending."

The PSD has been even more blatant. In an exclusive interview with *EIR* April 5, Adip Sabag, top PSD environmentalist, flatly stated that his party is mobilizing to stop not only new nuclear projects but the already long-delayed project at Laguna Verde. "We have a big ally on our side, the devaluation. Thanks to the devaluation, many nuclear projects are going to be abandoned. . . . That's what we are there for—to denounce these things once again," Sabag said.

Despite these anti-growth efforts, the López Portillo government's commitment to its nuclear program is still a powerful factor determining its future. The nuclear future of Mexico, we can say, is therefore "up in the air."