

our relationships with Mexico to be as important as any other that we have, and my relationship with President Lopez Portillo has been very good.

"We have also had negotiations with them earlier this year on the purchase or pricing of natural gas, and perhaps eventually oil, as those fields are developed. Because of the uncertainty of congressional action on the energy legislation, they were postponed, with agreement on both sides, until after the Congress adjourned. Those will be reconsidered, and I guess we will do some background work on that before I arrive in Mexico to conclude, hopefully, these continuing negotiations."

While Carter seemed to be emphasizing a "soft" negotiating posture in relations with Mexico, his comments on the gas negotiations were highly inaccurate in that: 1) there was no "agreement on both sides" to "postpone" the negotiations, and 2) there have been no "continuing negotiations."

At a press conference on Jan. 17 Carter completely reversed himself and endorsed the "hard line" position taken by Schlesinger a few days earlier.

"In the immediate future, the next few months, there is no urgency about acquiring Mexican natural gas. We have, at this moment, a surplus of natural gas in our own country; and the statements made by the Secretary of Energy were related to that fact. He has encouraged large users of oil and gas to use gas instead of oil.

"And we also have the problem of using efficiently gas produced in the 48 states of our country; and, in the future, how to bring the natural gas that is available from Alaska down through Canada to our nation. It's a very complicated thing. And when I go to Mexico next February this will obviously be one of the matters that I will discuss. But I'm not going down there to negotiate the price of natural gas. We'll be talking, myself and President Lopez Portillo, more in long-range strategic approaches on how we might best provide a good market for Mexican oil and gas that they want to sell to us."

Schlesinger line won't budge Mexico

Spokesmen for the Mexican government did not delay in responding to President Carter's endorsement of Schlesinger's "hard line" policy on gas sales. The following are excerpts from statements made on Jan. 18 by Patrimony and Industries Minister Jose Andres de Oteyza and by Jorge Diaz Serrano, director of the national oil company, Pemex, which appeared in the Mexican press.

We will not be pressured

Mexico will not accept pressure of any kind regarding its oil sales, stated Mexico's Secretary of Patrimony and Industrial Development, Jose Andres de Oteyza this week. Secretary Oteyza added that Mexico expects to be producing two and a quarter million barrels of oil a day by 1980.

The Industries Secretary asserted that the new National Plan for Industrialization — to be discussed Monday (Jan. 22 — ed.) by the country's industry-related ministers in the presence of President Jose Lopez Portillo—would revolve around oil sales and surpluses. After approval it will be implemented later this year.

According to Oteyza, there is no possibility that any type of external pressures will affect in any way this policy of industrialization based on oil revenues. "We don't know what they're thinking (in the U.S. — ed.), but we do know what we want, and we will not allow ourselves to be pressured by anyone regarding the use of our oil," stated Oteyza in no uncertain terms. "We are going to produce. . . to use Mexican oil productively, in terms of Mexican national interests."

Oteyza also commented that Mexico has under study a plan to establish a crude refinery in Bilbao (Spain), to be used as a distribution point for Mexican refined oil products throughout Europe.

We don't need the U.S. for oil sales

Jorge Diaz Serrano, director of the Mexican state oil company Petroleos Mexicanos (Pemex) stated on Jan. 18 that Mexico doesn't depend on whether or not the United States decides to buy Mexican oil. He said that diversification (of markets — ed.) is the solution to Mexico's oil problems and that "it is better to have three friends than only one." The Mexican oil executive indicated that Mexico has diverse markets, including trade with Central and South American countries, while Spain is handling the introduction of Mexican oil products into Asian and European markets.

Diaz Serrano warned that Mexico will not put itself in the position of having only one purchaser for its oil output, and further insisted that Mexico's development — of its industry as well as the country overall — would not be impeded if the United States does not purchase Mexican oil products.

He stated flatly that Mexico has no expectations regarding U.S. purchase of Mexican natural gas. And in regard to Carter's remarks on the subject Serrano said, "He's free to say what he wants."