

VIEWPOINT

THE BATTALION
TEXAS A&M UNIVERSITY

MONDAY
NOVEMBER 20, 1978

Mexican oil finds change picture for U.S.

By LeROY POPE
UPI Business Writer

NEW YORK — Mexico's huge new oil deposits have changed the world's energy picture so drastically that President Carter should reverse his present energy policy, according to one top petroleum researcher.

Dr. Irwin M. Stelzer says the emergence of Mexico as a potential major oil exporter brings into question the assumptions underlying the administration's energy policy.

"The persistent adherence to a view of energy resource exhaustion and scarcity, which was wrong from the beginning, now becomes dangerously removed from reality," said Stelzer, president of National Economic Research Associates, a New York-based economic consulting firm specializing in energy.

Stelzer says the United States, Mexico and Canada need to pursue a cooperative, coordinated development of energy on a continental basis. He says the United States won't need synthetic fuels and huge imports of liquefied gas if more friendly policies toward Mexico are pursued that will win us a large share of the Mexican oil and gas.

It is more sensible, he said, to buy oil and gas, even at fairly stiff prices, from a natural trading partner such as Mexico "than to run bilateral trade deficits with countries that bank most of their foreign exchange earnings and thus create fundamental instabilities in the international monetary system."

Stelzer said there is little reason now to doubt that Mexico's newly discovered petroleum reserves, kept largely secret by the Mexican government for five years may equal or surpass those of Saudi Arabia.

THE OIL FINDS in the states of Chiapas and Tabasco on the Isthmus of Tehuantepec and the newer offshore discoveries under the Gulf of Campeche, according to Stelzer, are so rich that the wildcat drilling success rate has been an astounding 82 percent. He says this contrasts with rates of 16 to 27 percent in the United States.

At first, the Mexicans were inclined to believe the offshore discoveries under the Gulf of Campeche were a continuation of the Reforma field on the Isthmus of Tehuantepec but further drilling revealed that the offshore field is separate. It is believed now, Stelzer said, "that the combined offshore and onshore (fields) may be part of a giant ancient barrier reef that encircled in former geologic times, what is now the Yucatan Peninsula."

Stelzer said the geologic conditions re-



semble those in the United States and the U.S. areas of the Gulf of Mexico, therefore the oil, which is high quality and low-sulfur, is relatively easy and cheap to bring to the surface. He said the Mexicans conceivably could ultimately produce nearly 10 million barrels of petroleum a day but they have no desire or reason to waste their oil and gas so extravagantly.

MUCH MORE REALISTIC, he says, are forecasts of a production of 3.25 to 3.9

Analysis

million barrels a day by 1985. Production was running at 650,000 barrels a day in February, 1977, and the Mexican state oil company, has set a public goal of 1.5 million barrels a day by 1982.

Even recent Energy Department analyses give the impression the U.S. government has all but ignored the possibility it may have a second Saudi Arabia on its doorstep. But Energy Department officials say that is an incorrect impression.

"The Mexican government was very good at keeping this confidential until September," one official said. "Now they're talking about what they have. The Mexicans kept the lid on the figures, underplayed them, for domestic political reasons. We knew what their estimates were, but we didn't publish them. It's wrong to say it's been ignored."

Oil industry officials suggest there may be a second reason, besides courtesy to a neighboring government, for the Energy Department's low profile on Mexican oil. They say the United States apparently doesn't want to become heavily reliant on oil from Mexico because it might lead to a political conflict between energy needs

and social problems such as illegal immigration in the West and Southwest.

BUT U.S. OIL COMPANIES may not be free from ulterior motives when talking about Mexican oil. Mexico was the first nation to fully nationalize its oil fields, in 1938, and has refused all efforts by the U.S. oil industry to cash in on the new discoveries.

"They (the Mexicans) will always do it on their own," said one senior Energy Department official. "They'll be bringing in U.S. consultants and buying U.S. equipment, but they'll never let the U.S. companies in again — or never in our lifetimes, at least."

In any case, the United States is already Mexico's best oil customer.

In 1977, the first year Mexico had much oil to export, the United States imported an average 170,000 barrels a day, 17 percent of Mexico's production of almost 1 million barrels a day.

Energy Department officials estimate Mexico's production will climb to between 4 and 5 million barrels a day by 1985, and they say the United States is likely to buy most of it.

STELZER'S EXPLANATION of the Mexican reticence is more sympathetic.

In the first place, he said, the Mexicans did not make the discoveries all at once but very gradually. Secondly, no international oil companies were involved. The big oil companies were thrown out of Mexico in 1938 by President Lazaro Cardenas, who accused them of having been rapacious, of having wastefully overproduced and damaged the underground oil bearing formations, and of treating Mexican labor oppressively.

In addition, Stelzer said, the administration of former President Luis Echever-

ria "was dominated by hostility toward the United States." He apparently feared that, with the real value of the big Mexican deposits being confirmed during a period of near hysteria in the United States over the Arab oil embargo, the Nixon-Ford administration might do almost anything to get access to the Mexican reserves, Stelzer said.

President Jose Lopez-Portillo is following a quite different policy, he said.

The United States presently is getting 83 percent of what oil Mexico is exporting. But Lopez-Portillo has no intention of being dependent on the U.S. market or expanding production just to meet the demanding desires of U.S. oil companies and consumers.

Instead, Mexico is building deepwater terminals at Salina Cruz on the Pacific and Pajaritos on the Gulf of Mexico to handle tankers up to 250,000 tons so she can export her oil anywhere in the world.

There still is another reason why the Mexican discoveries remained under wraps so long, Stelzer said.

"FOR 15 YEARS, until 1973, all petroleum prices were frozen in Mexico," he said. "The effect of this freeze was to deny the state oil company the necessary financial resources for any significant expansion in exploration and development. Tempting as the early indications (of the new discoveries) were, there was simply no way of increasing the pace of followup work and seeking foreign aid from any source was politically unthinkable."

The most significant feature of Mexico's changed attitude is its willingness to export crude oil. For a long time, it would only export refined products.

THE CONTROVERSY with the United States over imports of Mexican gas is different.

American oil companies and utilities are willing to pay the \$2.60 a thousand feet the Mexicans want for their gas but the Carter administration won't permit it because it is more than Canada is getting for her gas exports to the U.S. and the Mexican price could be a complication in the fight over domestic gas price regulation.

Finally, Stelzer said, Mexico still distrusts the United States because of the persistent memory of her big losses in the war in the last century, of the U.S. incursions into her territory in this century (President Wilson's massive 1916 retaliation for a border-raid by Pancho Villa's rebel army) and the continuing failure of the United States to live up to its treaty obligations concerning (water from the Colorado River) on which so many Mexican farmers depend.

Modern foods as grandma woulda dunnit

By DICK WEST

WASHINGTON — After buying a box of so-called breakfast bars at the supermarket, I fell to wondering who creates the recipes for products of this type.

One look at the list of ingredients will pretty well convince you that it isn't an old family recipe. I mean, if these were breakfast bars like grandma used to make they wouldn't contain quite so much polysorbate 60.

Cooks back in grandma's day might have made liberal use of sorbitan monostearate when whipping up a batch of breakfast bars, but they tended to go easy on the polysorbate 60.

Even polysorbate 59 probably would have been a bit much for ol' granny.

But recipes like this don't just mate-

rialize out of thin air. Somebody has to decide how much copper gluconate to put in the batter, and somebody has to make the determination that the breakfast bars would be improved by the addition of thiamine mononitrate.

My guess is that the companies that

Humor

make these products maintain test kitchens for experiments with new culinary ideas. And I like to think the kitchens are operated by little grey-haired ladies who are pretty fussy about what goes into the oven.

I can see nice Mrs. Fiddleworth stirring away at the mixing bowl. Occasionally she lifts the big wooden spoon and tips out a

bit of batter to see how well it drips. Then she calls to Mrs. Upbash.

"You wanna step over here and taste these breakfast bars, Mossy Belle? I think they need something."

Mrs. Upbash takes the spoon to her lips and rolls her eyes reflectively.

"I'd say a pinch or two of calcium pantothenate might help. Right now it's got a taste too much pyridoxine hydrochloride for my taste."

Mrs. Fiddleworth wrings her apron in exasperation. "Land sakes! It was the ferrous fumarate I was afraid of getting too much of."

Mrs. Upbash pushes back a wisp of hair from her forehead.

"A little pyridoxine hydrochloride goes a long way. But I'm glad you remembered

the sodium stearoyl-2-lactylate. To me, breakfast bars wouldn't be breakfast bars without a thimbleful of sodium stearoyl-2-lactylate."

Mrs. Fiddleworth smiles. "I always say a dash or two of magnesium hydroxide does wonders too."

Mrs. Upbash nods. "You just can't have too much magnesium hydroxide and calcium caseinate as far as I'm concerned."

"Well, OK, then," Mrs. Fiddleworth says. "As soon as I sprinkle on the lecithin and niaicinamide, it will be ready for the baking pan."

Mrs. Upbash nods again. "By the way, what's that funny looking stuff on top of the stove?"

"It's new to me, too," says Mrs. Fiddleworth. "They call it salt."

Letters to the Editor

Aggie blood drive a success, but still more needed

Editor:

I was truly impressed with the results of the Aggie Blood Drive this semester. One thousand sixty persons gave a total of more than 132 gallons of blood. But I am concerned that the support shown blood drives is unnecessarily limited to only once a semester, coincident with the visits of the Wadley Blood Service. I wonder if this activity is not, primarily, simply another tradition around which Aggies rally to what their united efforts can achieve. I fear it may be more a manifestation of group spirit than of human concern. There can never be too much blood in reserve, but there is often too little.

There are a few valid medical reasons for not donating blood (mostly of a temporary nature), but the most common range from selfish unconcern to fear. I am amazed at those who have never tried giving blood. A lot of people simply don't want to be bothered. Thank God for those who aren't so self-centered. There are a lot of people out there who suddenly find themselves dependent on the generosity of others to keep them alive.

A pint of blood can be safely donated every eight weeks, so a conscientious personal plan is to give every other month. The Central Texas Red Cross Blood Program of the American National Red Cross comes to the Bryan/College Station area every month, but there is often difficulty in meeting the quota (determined by the average need of this area) of only approximately 200 units. I find this incredible. The number of available donors in the community as a whole would be difficult to estimate, but viewing the campus community alone is very illustrative. Considering age and health, the entire student body can be considered potential blood

donors. If even half of these (an unrealistically low estimate) proved unable to qualify as donors, that still leaves 15,000. Assuming an every-other-month schedule of donation, that is 7,500 pints of blood that should be donated every month. (By this standard, even the Aggie Blood Drive didn't do very well, did it?)

To maintain the tradition of an organized blood drive on campus is laudable, but sustained effort to meet human need is more noteworthy. Blood collection on campus occurs only three times a year, and the blood donated is not available to area hospitals. Shouldn't we, even as temporary residents of this area, contribute to meeting local blood needs?

The only source of human blood is the human donor. Whole blood is commonly separated into its component parts, so one unit can benefit up to 6 people. Hundreds of times each day people are given a second chance to live, simply because a nucleus of thoughtful, nameless persons cares enough to take the time and trouble to give blood. This makes the donation of blood one of the most highly personal and unselfish acts a person can perform.

The Aggie Blood Drive gets a lot of publicity and a lot of backing. The Red Cross Blood Drive deserves more of both. The next blood drive will be at the Ramada Inn Tuesday and Wednesday from noon until 6 p.m. Please, show some Aggie support, and human concern, and put that 200-pint quota to shame.

—Randy Kirkpatrick, Graduate Student

'Lumping' unfair

Editor:

This letter is in response to Paul

Hughes' letter of Nov. 15 defending "Today's Student."

Before going any further, I wish to state that I am not objecting to Hughes' criticisms of homosexuals and homosexuality. I do very definitely object, however, to his statement that "There have been few complaints about the paper (Today's Student) made other than by homosexuals and Iranians."

Firstly, Hughes' lumping Iranians with homosexuals shows more than a trace of good old-fashioned Archie Bunker-type bigotry. "Homosexual" may be a dirty word, but I never heard that "Iranian" — or "Italian," "Cyke," or "Mexican" — was.

Secondly, from what source does Hughes get his information that "Today's Student" is only unpopular among homosexuals and Iranians? I am a native Texas and am just as heterosexual as I presume Hughes to be. In spite of my being such a loyal, upstanding citizen (I even know the Lord's Prayer and the Pledge of Allegiance) I and many of my friends (also American and also heterosexual) consider "Today's Student" to be a farcical, opinionated, more than slightly objectionable piece of pseudo-journalistic propaganda. Now, Hughes, you are certainly entitled to your opinion, and I am equally entitled to mine. But don't call me names because I disagree with you. I refer to the last sentence of your own letter: "Homosexuals should learn to open their minds and close their collective mouths."

—Laurei Mitchell, '82

Batt-fan gets serious

Editor:

I enjoy reading the Battalion each weekday. Though it isn't Mork and Mindy

or Battlestar Galactica, it is still a bright spot in my daily life. The Battalion staff does an excellent job, considering the small reward the members receive. At times, however, the complaining, moaning and groaning in the letters to the editor gets a little old.

I am thankful that I am able to write this letter and live in a country where it can be freely published. I live in a time and country of adequate provision. Had I been born in another country, I might now be sitting in the streets starving to death. Sbsisa food really isn't all that bad.

I am grateful for the opportunity to attend TAMU, the best of many fine universities (yes, our rivals across the Brazos included) of this nation. If we Aggies are not the most intelligent students, at least we are the friendliest.

Not all our favorite political candidates won in the last election, but the democratic (republican) process is working. If our governmental leaders seem dishonest and lackadaisical, remember we are to blame. We elected most of them.

On a less serious note:

Homosexuals at A&M may not be all that bad. Men presently outnumber the women, and more homosexuals may simply reduce the competition in normal dating.

Some students say that the bonfire is a waste of time and wood. I am glad someone has the time and wood to spare.

And thank heaven Highway 6 does run both ways. I really enjoy going home for the weekend now and then.

—Frank Wurbs, '77

TOP OF THE NEWS CAMPUS

Miller to help on scholarship

Texas A&M University President Jarvis E. Miller is among a select group of university presidents invited to the White House Dec. 5 by President Carter to explore means of implementing the Hubert H. Humphrey North-South Scholarship Program. The new scholarship program honoring the former vice-president and senator from Minnesota is designed to bring to this country young men and women of modest means from all of the developing nations which have diplomatic relations with the United States. A White House spokesman said the scholarships will be offered to those engaged in public service for a one-year course in fields directly related to their work, not necessarily leading to a degree. The fields of study will include health services, social work, rural or urban development, legal services, education, public administration, and communication.

Big brothers and sisters needed

Volunteers are needed in the "Big Brother-Big Sister" program to provide male/female companionship to underprivileged children. This requires only a couple of hours each week. Bryan Boy's Club also needs volunteers to fill various positions. For more information on either of these programs go by the Student Volunteer Services office in room 216 of the Memorial Student Center or contact Janet Cooper at 845-4508 or Debbie Cardwell at 693-3012. Deadline is Dec. 1.

Economics programs get boost

The Phillips Petroleum Foundation Inc. has tentatively committed \$125,000 over the next five years to support economics programs in Texas A&M University's Center for Education and Research in Free Enterprise. The foundation has pledged \$25,000 for three consecutive years and will consider funding for an additional two years after evaluating the overall effectiveness of the center. Texas A&M's free enterprise center was established two years ago by funding from the Association of Former Students.

STATE

Gun salute leads to arrests

The Brown Berets, a group of Mexican-American activists fired an 18-gun salute — apparently using blanks — in a demonstration Saturday, and police in Houston arrested 10 members of the group. A Brown Berets spokesman said about 60 persons held a demonstration in Moody Park Friday in honor of Adan Hernandez, who died in police custody Sept. 25. The group's spokesman said police claimed Hernandez strangled himself, although examining doctors said he had a cardiac arrest.

Wind hampers fire fighting effort

Boots and Coots Inc., a Houston well fire fighting company, tried again Saturday to pump heavy drilling mud into a spewing natural gas well that blew out Wednesday in Bayou Sale, La. The blowout occurred as workers were preparing to pour drilling mud down the well to stop the gas flow while repairs were being made. The gas was feeding a 20-foot high flame atop a "Christmas tree" of valves regulating the well, which is located in a remote section of St. Mary's Parish near the Intracoastal Waterway. A wind shift hampered the process.

NATION

Hunters beware; missiles fired

West German Air Force personnel are scheduled to fire two Pershing missiles today from the McGregor Range northeast of El Paso. These are the fifth and sixth in a series of fall Pershing launchings. Deer hunters in the northern extension of the range will be evacuated during the test. Army officials at White Sands Missile Range, N.Mex., announced several roadblocks also will be erected.

Experts keeping eye on flu cases

Influenza experts at the national Center for Disease Control in Atlanta are keeping a close watch on the season's first reports of Russian flu cases for signs of any changes in the virus that might make more people susceptible to infection. Because of its wide distribution, CDC flu experts believe there will be outbreaks in most of the states this fall and winter. In winter and early spring outbreaks in the United States, the virus attacked those under age 25 almost exclusively, although a few older people contracted the illness in the later stages.

WORLD

Plot stopped; King continues trip

The Spanish government, on the eve of King Juan Carlos' trip to Latin America, crushed a plot by right-wing military and police officers to overthrow the post-Franco democracy, Madrid newspapers said Saturday. Government sources said at least 12 officers, including four generals, five colonels and three lieutenant colonels, were arrested in connection with the conspiracy. The king left on a 15-day trip to Mexico, Argentina and Peru as planned Friday but was kept informed on developments in Spain.

WEATHER

Rain and a few thundershowers through Tuesday. High Monday high 60's, low early Tuesday high 40's.

THE BATTALION

LETTERS POLICY

Letters to the editor should not exceed 300 words and are subject to being cut to that length or less if longer. The editorial staff reserves the right to edit such letters and does not guarantee to publish any letter. Each letter must be signed, show the address of the writer and list a telephone number for verification.

Address correspondence to Letters to the Editor, The Battalion, Room 216, Reed McDonald Building, College Station, Texas 77843.

Represented nationally by National Educational Advertising Services, Inc., New York City, Chicago and Los Angeles.

The Battalion is published Monday through Friday from September through May except during exam and holiday periods and the summer, when it is published on Tuesday through Thursday.

Mail subscriptions are \$16.75 per semester; \$33.25 per school year; \$35.00 per full year. Advertising rates furnished on request. Address: The Battalion, Room 216, Reed McDonald Building, College Station, Texas 77843.

United Press International is entitled exclusively to the use for reproduction of all news dispatches credited to it. Rights of reproduction of all other matter herein reserved. Second-Class postage paid at College Station, TX 77843.

Opinions expressed in The Battalion are those of the editor or of the writer of the article and are not necessarily those of the University administration or the Board of

MEMBER

Texas Press Association
Southwest Journalism Congress
Editor Kim
Managing Editor Liz
Assistant Managing Editor Andy
Sports Editor David
City Editor Jamie
Campus Editor Steve
News Editors Debbie
Beth Calhoun
Staff Writers Karen Rogers, Sean
Patterson, Scott Pendleton, Sean
Petty, Michelle Scuderi, Diane
Blake, Lee Roy Lesch, Jr., Dillard
Stone
Cartoonist Doug
Photographers Ed
Lynn Blanco
Focus section editor Gary

Regents. The Battalion is a non-profit, self-supporting enterprise operated by students as a university and community newspaper. Editorial policy is determined by the editor.