Dateline Mexico by Carlos Cota Meza

'La Quina' conviction dooms Pemex

The sentencing of Joaquín Hernández Galicia clears the way for the destruction of Mexico's oil company.

The disguised privatization of Petróleos Mexicanos (Pemex) has come full circle, with the conviction of Joaquín Hernández Galicia, known as "La Quina." On June 2, the Mexican government announced that the former head of the Mexican Oil Workers Union had been found guilty of "the crimes of murder one, resisting arrest, stockpiling of weapons, and the illegal introduction into the country of weapons reserved for the private use of the Armed Forces."

These charges were first brought against him after he was kidnaped from his home on Jan. 10, 1989, and arrested along with 44 other union leaders in an extensive military-political dragnet staged by the incoming government of Carlos Salinas de Gortari.

Incredibly, the conviction comes two years after the legal limit established by the Mexican Constitution, which says no one can be held for longer than a year without a conviction. The blame for this illegal delay, according to the prosecution, lies with the defense for allegedly "offering irrelevant evidence" in La Quina's defense. The truth is that the Attorney General's office had demanded, on two separate occasions, that the court revise its earlier findings, because it had found Hernández Galicia *innocent,* on the grounds that the government had offered insufficient proof against him. Now that the court has upheld the government's charges, it is expected that La Quina will be sentenced to up to 50 years in jail.

Of course, the trial was not really against La Quina, but rather against the company which most directly represents the interests of the Mexican people. The final push to convict La Quina came as the North American Free Trade Agreement (NAFTA) negotiations entered the home stretch. The Bush administration has demanded that the Salinas government clear the playing field of anyone who might oppose signing over Mexico's oil to the Wall Street cartels, as part of the NAFTA deal.

Indeed, on June 5, just three days after the Attorney General's announcement, President Salinas announced his "sentence" against Pemex. In a breakfast meeting with the top directors of the company, including the Mines and Energy Minister Fernando Hiriart and Pemex director Francisco Rojas, Salinas gave a speech demanding the revision of Pemex's entire structure, and threatening the oil workers with dismissal if they do not cooperate. Certain Mexican newspapers have unofficially leaked a draft document reportedly containing the plan for the "re-dimensioning" of Pemex. According to these reports, Pemex is to be turned into a holding company for eight separate entities with decentralized decision-making and "broad autonomy of action." The new "mini-Pemexes" will make up a *Pemex Corporativo.*

The dissolution of the oil workers' union is, of course, indispensable for the dissolution of Pemex itself. According to the leaked draft, the workers of each "mini-Pemex" will have to negotiate their contracts, one by one, with their new "corporate" leadership.

It is already an open secret that the reorganization of Pemex is designed to bring about the dissolution of the union and its contract, with the firing of the current 144,000 employees—to then rehire only 50% of these under new "conditions." In the three years of the Salinas administration, and since La Quina's arrest, 100,000 of the 1988 work force of one-quarter million have already been fired.

This splitting up of Pemex, as if it were a vacant lot thrown on the speculative real estate market, is the result of five years of work by the international consulting firm McKinsey, which was given access to all the strategic information known as Pemex's "black boxes": per barrel cost of production, types of machinery and duration of use, geological maps of the Mexican subsoil, service and personnel records, and so forth.

However, there is a deeper strategic goal behind the breakup of Pemex. As the NAFTA negotiations have advanced, it has become clear that what the United States really seeks is access to Mexico's oil wealth.

According to the magazine *Oil and Gas Journal* and the American Petroleum Institute, Mexico ranges between being the United States' second and fourth oil supplier. The U.S. Geological Survey estimates that Mexico could have as much as 210 billion barrels in reserve, on top of the proven 62 billion barrels registered in June 1991. Leaving aside the optimistic projections of interested parties, it is clear that with its current proven reserves alone, Mexico has double the proven reserves of the United States, which were estimated in 1988 at 26.5 billion barrels.

Turning Mexico's oil into *U.S.* proven reserves is the sole purpose behind the Salinas decision to splinter Pemex, and to lock away all who oppose his plan.