Pemex bust clears the way for fascist economy in Mexico

by Carlos Cota

The trumped-up charges that the Mexican regime lodged against oil workers head Joaquín Hernández Galicia to justify its Jan. 10 assault on the union, are not taken seriously by anyone. The obvious fact is that the government has a plan to dismember the state oil monopoly, Pemex, as a step to its later privatization through "co-investment" and/or concessions to private investors.

Every time that Hernández Galicia (who is known as "La Quina") has had an opportunity to speak publicly, since the Army and police dragged him from his house to prison, he has stressed that this was the real motive for his arrest. "We have said that we would never go on strike—though the law grants us that right—except in the case that they keep denationalizing Pemex, as we have already seen. I know that they have handed over 23 petroleum products catalogued as raw materials. If we strike, it will only be to defend Pemex and the nation."

The "Pemex restructuring program," concocted by the World Bank, consists of separating primary exploitation, the petrochemical industry, and product distribution into three formally separate administrative entities. Petrochemical activities are also being reclassified to circumvent Mexico's Constitution, which reserves to the nation-state ownership of all strategic economic sectors.

Another 25 basic primary petrochemical products will be reclassified, not only to permit private investment in new plants producing these products, but even to all private operators to buy out the petrochemical complexes that Pemex built during the José López Portillo administration (1976-82). The multinationals hovering like vultures in anticipation of President Carlos Salinas's "reforms" include: DuPont, Royal Dutch Shell, Celanese, and the Kremlin's favorite Western financial operative, Armand Hammer.

The misnamed "national energy plan" issued by Energy Undersecretary Alberto Escofet Artigas, holds that foreign and Mexican private investors could become partners in strategic industries without any substantive changes in the Constitution. This plan also accepts "co-investments" in electricity generation. Thus, the head of the electrical workers union, Sen. Rodríguez Alcaine, is likely to get the same treatment as Hernández Galicia.

This policy continues what the Miguel de la Madrid administration (1982-88) did to the economy. Since 1988, the entire secondary petrochemical sector has been privately controlled. Since 1986, the government has granted licenses for production and sale of 36 of the 70 basic petrochemical products. The government officially acknowledges that 75% of petrochemical production is in private hands.

The De la Madrid government made "preferential use of foreign development funds, that is, loans," rather than budgeting investments by Pemex itself. Juan Antonio Bargues Mestre, technical secretary of the Petrochemical Commission, declared Feb. 23, 1988 that the government also promoted "renting the federal government's infrastructure to foreign and domestic private initiative" and "setting up companies providing general services to the petrochemical industry," especially in those sectors already rented or susceptible to being rented.

Many claim that these are merely measures to make what is left of the state sector "more efficient." Some of these apologists for the policy are wrong; others are lying; and the leaders of the Confederation of Mexican Workers (CTM) are simply cowards. What is being made more efficient, is the fascist looting of real wages and of funds that should have been reinvested in maintaining and expanding productive capacity. Roadblocks to the looting of Mexico's natural resources are being smashed.

Pemex, the backbone of the Mexican economy, is the only part of the economy which has kept functioning, thanks to the oil workers union and its leaders.

Economic earthquakes

The September 1985 earthquake did $2 billion in damage, but De la Madrid's economic policies lost Mexico the equivalent of four earthquakes per year, the business daily *El Nacional* calculates. Its study, based on government and U.N. figures, shows that from 1982 to 1986, Mexico suffered:

- A 10.6% drop in per capita Gross National Product.
- A 32% drop in investments; 23 trillion pesos failed to be invested annually.
- One of every two youths who sought a job did not find one.
- Real wages were cut by 50%, making them among the world's lowest.
- Nutritional levels were cut, putting 50% of the people on the edge of malnutrition.
- Communicable diseases increased 61%, due to malnutrition combined with health care reductions.
- The housing deficit increased so that 45% of the population lived in filthy substandard conditions.
- Half of the children failed to complete primary school, dropping out to join the "informal economy."
- The lack of jobs, and of hope, has brought a major increase in criminality, violence, and vagrancy.

During the six years that this was happening to the economy, Mexico sent $83 billion in debt service payments abroad.

El Financiero calculated that that money could have paid 5.8 million minimum wage salaries per year or could have built 3.7 million housing units to shelter 20 million Mexicans. The $10 billion Mexico paid annually for interest could have built 9,000 average factories.

Today's "modernization," the direct seizure of oil, minerals, and agriculture, requires a cheap, disposable, labor force. Hence, there is no room for unions.

One of the masterminds of Mexican union-busting is Lorenzo Meyer, one of a nest of New Age "scholars" formed at the College of Mexico by its president, Victor Urquidi. Urquidi is one of two Third World members of the Club of Rome, an institution committed to reducing the world's population, by any means necessary.

In *Excélsior*, Jan. 13, Meyer called for dismantling Mexico's trade unions, and reducing the labor force to the minimum level compatible with maintaining heartbeat and gonads—nothing less than a Nazi concentration camp operation.

Meyer began by saying that Salinas has grown strong at the expense of the drastic weakening of the oil workers union. "Ideally, to successfully compete in international markets, the new Mexican economy will require a labor organization like that which prevails in the majority of the *maquila* industry [the dirt-cheap labor in the runaway shops along the U.S. border] of the north of the country: that is, a non-unionized labor force, paid the most minimal of wages compatible with the needs for its survival and reproduction. Ideally, and following the suppositions of the economic model, Mexico's international competitiveness will increase if labor can be treated (by employers) as one more input, such as electricity, whose use can be increased or decreased at will, according to the company's daily needs. Since it is very difficult to eliminate from above a labor organization such as the Mexican one, the government's energy in this area appears to be directed toward restructuring it.

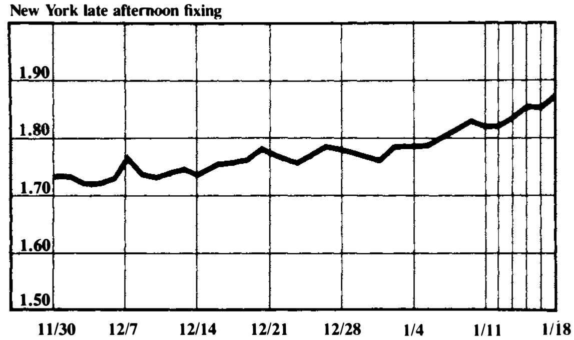
"So, the coup against La Quina and associates is the strongest hammer blow, but not the first, nor the last, that the presidential arm has delivered so far, given in the process of forging a new workers movement, compatible with the design of a Mexico that exports to the countries of the center, products that are relatively intensive in use of energy, raw materials and labor power, and use little capital and technology. . . .

"The new unionism must be politically and economically weak, so it cannot oppose personnel relocations or layoffs. It must not demand benefits beyond the minimum compatible with social peace. In the new scheme, the so-called 'aristocracy of labor' (of which the oil workers are the maximum expression) will have to suffer a destiny similar to that of the middle class: the radical reduction of its consumption and pretentions of improving their standard of living. This is an ineluctable demand for successfully joining economies such as the Mexican, into the present world system."

Currency Rates

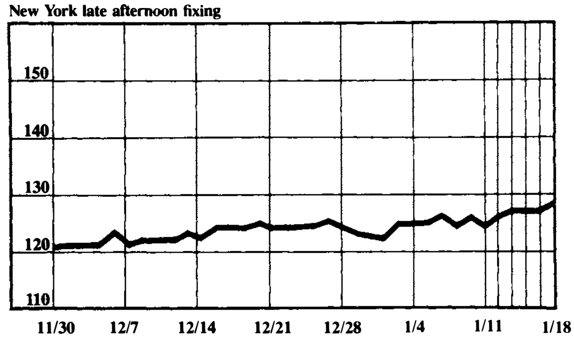
The dollar in deutschemarks

New York late afternoon fixing



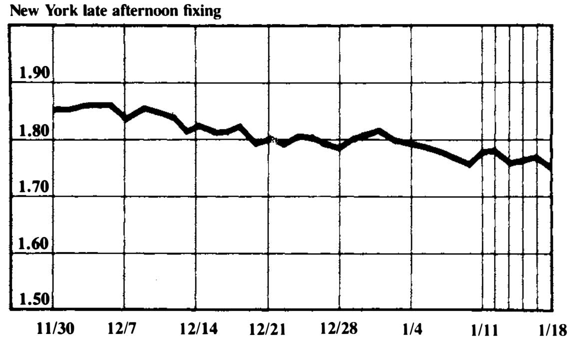
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing