Labor revives moratorium cry

**Dateline Mexico** by Carlos Cota Meza

The oilworkers are in the vanguard of a renewed push for a moratorium on foreign debt payments.

For his traditional New Year’s greeting, Mexican oilworkers leader Joaquin Hernández Galicia gave a press conference at the presidential residence of Los Pinos, accompanied by the full executive committee of the Revolutionary Union of oilworkers, at which he declared that Mexico must suspend payments on the foreign debt for one year.

“The problem of the debt has paralyzed internal investments in our country. We will be unable to grow if we continue to divert the internal budget to meet our foreign commitments. Mexico will become a moribund nation that will soon die.” With postponement of payments for one year, said the labor leader, we will be able to invest in agriculture, small industry, there will be financing for relaunching construction of highways, dams, hydroelectric plants, housing, and to expand oil exploration. “Only in this way can we achieve a healthy structure to guarantee re-starting of our economic growth of the country.”

Southern Pacific economists have already warned that the average inflation for the year was estimated at 22%, what Pemex will receive in 1989 will in real terms be 10% less than one year earlier.

The oilworker congressmen backed instead a proposal by Democratic Current (DC) deputy Alfredo Pliego Aldana—another oil worker—who demanded an increase of the oil industry allocation by 17 trillion pesos. His plan included increases in investment for exploration intended to recover proven reserves, for maintenance of equipment of Ibero-America’s largest industry, to increase storage capacity from the present pitiful figure of just two days’ production. The proposal of the congressmen— who are allied to defrauded presidential candidate Cuauhtémoc Cardenas—specified that not a single peso of the proposed 17 trillion increase could go to expanding administrative or advisory personnel.

Said Adolfo Barrientos Parra, head of the oilworkers’ congressional bloc, in explaining its vote in favor of the DC proposal: “We are not voting against the PRI. It’s up to the PRI if it contributes to the asphyxiation of Mexico.” The PRI is Mexico’s ruling party.

The PRI majority in the Chamber of Deputies voted against the DC proposal. However, according to the president of the chamber’s energy commission, Gonzalo Martínez Corrala, the Congress would approve a suspension of foreign debt payments and other measures, “however serious they might be,” as long as the economic growth of the country is benefited. Martínez protested that an important portion of resources currently being transferred abroad as debt payments should be used in productive projects inside the country instead.

Hernández Galicia’s proposal for debt moratorium is thus far the clearest, most sensible, and most concrete that has been presented in the context of a renewed debate on the debt. The oilworkers union, linked to the PRI, had been, during the six-year rule of former President Miguel de la Madrid, the principal critic of International Monetary Fund austerity dictates applied by that government.

In 1986, then-oilworkers leader José Sosa had declared in his New Year’s greeting to President De la Madrid: “If Pemex sinks, you sink, we all sink, Mexico sinks.” He denounced the state oil company’s budget cuts, excessive administrative costs, and lack of maintenance. The head of Pemex at the time was Mario Ramón Beteta Monsalve.

At the end of the De la Madrid term, the oilworkers formally presented an accusation of fraud against Beteta, who had just been inaugurated as governor of Mexico state. The accusation, which shook the foundations of the Mexican political system, prompted a defense of Beteta by De la Madrid himself, who called the former Pemex boss “an honest, patriotic, honorable man, who is my friend.” Since then, the Attorney General’s office, the Comptroller’s office, and the commissions of justice and of constitutional matters of the Chamber of Deputies have issued rulings out of thin air to exonerate Beteta.

Nonetheless, the oilworkers’ bloc in Congress has just issued a booklet detailing the charges against Beteta, which include the accusation that Pemex lost $60 million and was virtually privatized under Beteta, in violation of the constitution.