

## Dateline Mexico by Carlos Cota Meza

### La Quina's revenge

*The crisis in Pemex has led to foreign oil companies being invited into the country for the first time since 1938.*

January 10 marked the third anniversary of the brutal kidnaping and incarceration of Joaquín Hernández Galicia ("La Quina"), the former head of Mexico's oil workers union. Despite his lengthy detention, the federal prosecutor's office has yet to prove La Quina's guilt for any of the crimes of which he has been accused. On the contrary, the union leader's legal defense has repeatedly demonstrated his innocence, forcing the prosecutor into a political bind.

Hernández Galicia is a political prisoner of the Carlos Salinas de Gortari government, and his innocence is not merely proven in court but also in what the government is doing to the state oil company Pemex (Petróleos Mexicanos) and to its workers, which La Quina would never have permitted. In fact, La Quina's jailing was President Salinas's first and most important act of obedience to the International Monetary Fund and Mexico's creditor banks, which were demanding the trade union leader's annihilation because of his leadership role in opposing IMF policies across the Mexican economy.

According to the Mexican Businessmen's Confederation, Coparmex, Pemex has laid off 130,000 workers since 1988. And, according to Sebastián Guzmán Cabrera—the current "leader" of the oil workers union, a PRI congressman, and a multimillionaire contractor for Pemex—35,000 more oil workers are slated for the block this year.

These mass layoffs, equivalent to 50% of the oil union's membership,

indicate the severe crisis into which this most important sector of the national economy has been plunged, thanks to President Salinas's policies. Entire areas are either semi-paralyzed or in a state of abandon. Oil wells continue to be exhausted, while Pemex has no policy to conduct its own oil exploration. Refineries are being shut down and dismantled, and there are accelerated imports of gasoline and other petroleum derivatives. Soon, foreign gas stations will be permitted on Mexican territory.

The situation in the petrochemical industry is as bad, or worse. In 1989, the government decreed that, of 34 basic petrochemical products, 15 would be classified as "secondary," permitting their privatization and takeover through foreign investment. Another such reclassification of 11 of the remaining 19 products is imminent. After three years of Salinas's government—or of La Quina's jailing—Pemex has been stripped of all but eight products considered "basic," and thereby immune (for now) to foreign takeover. The justification offered by certain energy officials is that the previous reclassifications "have not attracted enough investment."

The daily *El Financiero* recently threw some light on a surreptitious move by the Salinas government, when it published a communication by Mexico's trade department, "authorizing the registration of the foreign company Triton International, Inc. in the Public Registry of Property and Trade." The communication granted Triton permission "to provide

advisory services in the drilling of turnkey oil and/or gas wells." Triton is the first foreign oil company to be allowed into Mexico since 1938.

Pemex's administration, headed by Francisco Rojas, is in a state of financial and political chaos. According to Rojas, private investment opportunities in Mexican petrochemicals will be facilitated by renting out installations constructed by Pemex, which the renters will later pay for with money or products. However, according to the trade department communication, Triton's constructions in Mexico's oil fields will belong to Triton *until such time* as Pemex covers the Texas company's total costs. Until then, the Mexican state company will be renting from a foreign company *on Mexican soil*.

Pemex officials have anonymously reported that the state company has already exhausted its cost-reduction margins. Layoffs are reaching into the highest political and technical layers of the company, while investment requirements are growing in direct proportion to the exhaustion of once-productive wells now being worked into extinction.

*EIR* has learned of a secret offer by the Salinas government to La Quina, according to which he would accept full culpability for the charges against him, in exchange for the release from jail and restitution to their union posts of his closest collaborators, Salvador Barragán and José Sosa. La Quina has reportedly answered with a demand that the government first free him and return him to Ciudad Madero, Tamaulipas, the city from which he was kidnaped, where he would then consider relinquishing authority over the oil workers union.

If the reports are true, prison has broken neither La Quina's spirit nor his patriotism, something which his jailers would do well to remember.