

# Mexican union leaders paid over \$30 million for imposing cuts on oil workers

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A March 14 report published in Mexico's *La Jornada* reveals staggering corruption and payouts between the state-owned oil company Pemex, the Federal Electricity Commission (CFE), and the oil workers and electricians unions.

According to the report, titled 'Numerous perks for union leaders of Pemex-CFE,' leaders of the National Oil Workers Union of the Mexican Republic (STPRM) and the National Union of Electrical Workers of the Mexican Republic (Suterm) received massive payouts as part of a *quid pro quo* agreement with the government and the company. In 2015, the trade unions agreed to contract modifications which enforced unprecedented pension and job cuts on Mexican oil workers.

Signed documents cited by *La Jornada* show that the leaders of the two unions, Carlos Romero Dechamps and Victor Fuentes del Villar, received \$21 million USD and \$11 million USD in payouts, respectively. The payments, which will be distributed amongst the leaders' cronies, were disguised as resources for 'travel allowance, spending, and celebration.'

The payments reveal the key role played by the trade unions in orchestrating a historic transfer of wealth from the working class to the pockets of the Mexican bourgeoisie and their allies on Wall Street and in the multinational oil corporations.

The terms of the deal worked out in November 2015 by the trade unions, the government, and Pemex illuminate the character of the conspiracy against the Mexican working class. The retirement age will be raised from 55 to 60 for those workers with less than 15 years with the company while new hires will be forced to take a defined-contribution plan as opposed to the defined benefit plans that current workers have. In January, Pemex announced 10,533 jobs would be cut in

2016.

The *Wall Street Journal* salivated over the deal, calling it 'the biggest change to the collective bargaining contract since Pemex was created in 1938.'

The cuts will open up billions of dollars to be spent on speculation and profiteering. One anonymous senior Pemex official told the *Journal* that 'the overhaul could cut pension liabilities by about 400 billion pesos (\$24 billion), or around a quarter of the total liabilities.'

The Mexican trade unions are not workers' organizations, and their leadership lives extravagantly off the payoffs for their betrayals.

For example, the daughter of STPRM leader Romero Deschamps posted a series of photographs of herself traveling via private jet to many corners of the world. The luxurious photos of Paulina Romero Deschamps, known as the 'Princess of the PRI' for her father's connections to the ruling Institutional Revolutionary Party (PRI), caused a scandal when they were released in 2013.

The opulent lifestyles of the trade union bureaucracies are funded not only by payoffs from the government and corporations, but also through stealing the wages of the workers themselves. According to political analyst Denise Dresser, Deschamps received \$15.3 million in 2011 in oil worker dues money. Despite claiming to make just \$1,900 per month in STPRM salary, Deschamps himself owns a \$1.5 million mansion in Cancun (which he has described as a 'cottage') and reportedly gave his son a \$2 million Ferrari automobile as a present.

The conspiracy by the unions, the government, and Pemex against the working class is the culmination of decades of attacks on oil workers who have long been regarded as representing the high-water mark of working class living standards in Mexico.

The expropriation of the Mexican oil industry by President Lazaro Cardenas in March 1938 remains perhaps the most widely celebrated political act in post-revolutionary Mexican history. The expropriation itself was the product of a careful balancing act by Cardenas and broad sections of the Mexican bourgeoisie, who both sought to limit foreign exploitation of oil to create a basis for enriching the national bourgeoisie and to stem widespread socialist sentiment among the working class.

Founded in August 1935, the STPRM was immediately brought under the control of the corporatist Mexican Confederation of Workers (CTM) through the dealings of the infamous Mexican Stalinist Lombardo Toledano. A series of wildcat strikes in 1937 that the STPRM and the Stalinists were unable to contain frightened the Cardenas administration to such a degree that Cardenas declared that the strikes were “due on the part of the workers substantially to the lack of cohesion of the organizations which form the [STPRM].” Furthermore, Cardenas expressed the Mexican ruling class’s fear of socialism when he said that the government felt “anxiety [over] the deception which the workers may suffer at the hands of those who are within the ranks of the workers and who are serving antagonistic interests.”

In response to these concerns, Cardenas announced the expropriation of the oil industry in March 1938 after the foreign companies refused to abide by a ruling from the Mexican Supreme Court granting the right to collective bargaining under the STPRM. In the aftermath of the expropriation, American, English, and Dutch oil interests attempted to orchestrate an international boycott of Mexican oil. The move was greeted with widespread enthusiasm by Mexican workers and peasants, many of whom offered to donate chickens and livestock to pay off the debt Cardenas insisted be paid to the companies. In the aftermath of the expropriation, oil workers were in fact not granted the wage increases for which they had initially struck.

The massive poverty, widespread corruption, and violence that pervade Mexican society today are the product of the decades-long collusion of the Mexican bourgeoisie with imperialism, aided by the corporatist trade unions and their wealthy *charro* leadership. The product of this corrupt alliance is the drive toward the privatization of the oil industry through intensified

attacks on Mexican oil workers.



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