Protests against gas price hikes spread across Mexico

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Tens of thousands of Mexicans have taken to the streets in opposition to President Enrique Pena Nieto's January 1 decision to slash gasoline subsidies, an action that will increase consumer prices by 14 to 20 percent in the coming year. Demonstrations against *el Gasolinazo* have grown with each passing day, spreading to every part of the country.

The protests have provoked a political crisis within the Mexican ruling class. "With the *Gasolinazos*, social irritation is growing to the point of converting itself into a general discontent that could overflow and become uncontainable," reads an editorial in Tuesday's *Excelsior*.

The demonstrations involve largely spontaneous actions by workers and youth as well as sections of the middle class. As of Wednesday night, truckers, taxi drivers and other protesters were once again blocking many of the major highways between cities after police had cleared them the day before.

Police have made several dozen arrests. On Wednesday, they confronted demonstrators in Mexico City.

The state-owned energy conglomerate Petroleos Mexicanos (Pemex) announced yesterday that truckers and protesters had blocked eleven of its processing and distribution centers, creating what the company called a "critical situation" in Chihuahua, Durango, Morelos and Baja California. The company warned of possible airport closures if protests continued and reported incidents of pipeline sabotage.

Bus drivers in Guadalajara, Jalisco called the first *Gasolinazo*-related strike on Wednesday, shutting down most transit service in the city. Demonstrations in other cities were joined by delegations of teachers and doctors.

Protesters currently occupy dozens of gas stations across the country, while gas station companies have shut hundreds more. Demonstrations have been particularly large in Mexico City, the heavily populated State of Mexico, the oil-producing state of Veracruz and the manufacturing hub of Puebla. Protestors in Ciudad Juarez blocked one of the border crossings to the United States.

A series of demonstrations have been called for the coming weekend, largely by trade unions and peasant groups. These protests come at a pivotal moment for the Mexican economy.

On Tuesday, Ford Motor Company announced that it was canceling plans to build a $1.6 billion auto plant in Mexico and would instead invest in an existing factory outside of Detroit, Michigan. Ford CEO Mark Shields said the move was because of "a more positive US manufacturing business environment under President-elect Trump." On the same day, Trump denounced General Motors for shifting car production to Mexico.

News of Ford's decision dominated the headlines of the Mexican press and boosted fears that the Trump administration will impose tariffs on imports from Mexico and drastically reduce Mexico's importance in US-based manufacturing supply chains. Eighty-one percent of Mexican manufacturing and service exports go to the US.

Ford's move and growing fears of a trade war further weakened the peso, which hit a new low yesterday, closing at 21.40 to the dollar. The weakening peso and mounting inflationary pressures increase the serious economic risks associated with the gas subsidy reduction. Already, finance houses have responded to the cut by revising inflation estimates upwards to nearly 5 percent. Already in 2016, Mexico's central bank raised interest rates several times, bringing them to their highest level since 2009.

This has created an unbearable situation for the deeply impoverished Mexican working class, with inflation outpacing wages while consumer prices skyrocket. A recent study by the Autonomous University of Mexico (UNAM) reported that the purchasing power of the average Mexican had shrunk by 11.1 percent since President Pena Nieto took office in 2012. The price index for the basic food basket required to feed a family of four has increased to 218.06 pesos ($10.19) per day, nearly three times the daily minimum wage.

Although Mexico is one of the world's leading producers of oil, a worker earning the minimum wage must work twelve days to earn the price of a tank of gas. The increase

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in fuel prices will, moreover, result in a sharp rise in the prices of other basic staples. The firm Brokerage Finamex announced in December that the proposed gas hike would increase the consumer price index by 0.8 percent in just the first two weeks of 2017.

Over the last decade, the Mexican ruling class has carried out a ruthless drive to intensify the exploitation of its labor and natural resources, mainly by American banks and corporations. Protestors are demanding an end to the government's moves to privatize Pemex, which was nationalized in 1938 after a massive strike by oil workers. In 2013, the government formally ended the state monopoly in oil.

Pena Nieto's administration has violently repressed demonstrations and strikes against his pro-corporate education "reforms." In 2014, local and federal police and troops abducted and murdered 43 student teachers in Ayotzinapa. Last year, police killed dozens of villagers and teachers in Noxichtlan during a months-long strike by Oaxacan teachers. Pena Nieto is the most unpopular president in modern Mexican history, with an approval rating of 25 percent.

The government has thus far refrained from ordering a violent crackdown on the movement against *Gasolinazo* out of fear that such a move would provoke an immediate social eruption. Morelos Governor Graco Ramirez, warning of a potential social explosion, proposed that the government respond to the protests with an emergency salary hike for low-paid workers.

On Wednesday, President Pena Nieto was forced to cut short his vacation in order to address the escalating crisis. In a nationally televised speech, he insisted that the subsidy reduction would not be repealed because it was necessary "to preserve the stability of our economy."

In the same speech, Pena Nieto announced that ex-Finance Minister Luis Videgaray would return as foreign minister in a major cabinet shakeup aimed at boosting relations with the incoming Trump administration. Pena Nieto said the appointment signaled that there would be "dialogue and contact from the first day of the [Trump] administration, so we can establish the basis of a constructive working relationship."

The president's groveling comments will provoke further opposition in the Mexican working class. Tens of millions of Mexican workers have close family members living in the United States who may face deportation under Trump. Videgaray is broadly disliked for arranging the meeting between Trump and Pena Nieto in Mexico City during the US election campaign. He resigned as finance minister in early September, one week after that meeting.

It remains unclear whether the demonstrations will continue to grow or whether they will, as with previous social movements, be suffocated by the trade unions with the help of Andres Manuel Lopez Obrador and his Morena party.

The militant protests against the cut in gas subsidies are indicative of a revival of class struggle around the world, including in the United States. The brutal attacks on social programs and working class living standards being prepared by Trump and his cabal of billionaires, ex-generals and quasi-fascist politicians will provoke a rising tide of struggle by workers across the border from Mexico, creating the conditions for the forging of a united struggle of American and Mexican workers.

The only way for Mexican workers to oppose the social counterrevolution underway in their country is to unite with their class brothers and sisters around the world, first and foremost in the United States and Canada. Workers across North America labor in the same supply chains, often producing different parts of the same products that the corporations sell for immense profits.

Mexican workers need to recognize that their own bourgeoisie promotes Mexican nationalism while working with US imperialism to enrich itself at the expense of working people. So long as workers are forced to fight against one another for jobs and compete for wages, whether through the provisions of NAFTA or through trade wars, living standards across the region will continue to fall.

American workers must reject the racist and xenophobic lies of Donald Trump, the US trade unions and figures like Bernie Sanders who combine nationalist poison with "left" verbiage. Uniting the working class of the "New World"—from North through Central to South America—is a key strategic task of the world revolution. It requires the building of sections of the International Committee of the Fourth International across Latin America.

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