INSTITUTE OF CURRENT WORLD AFFAIRS

KAC-25

Rank and File: In Tow?

Paseo de la Reforma 157-503
Col. Cuauhtemoc, Mexico D.F.
C.P. 06500, Mexico

Peter Bird Martin
Institute of Current World Affairs
Wheelock House
4 West Wheelock St.
Hanover, New Hampshire

May 6th, 1983

Dear Peter,

To appreciate fully the sophistication, and skill of the Mexican government's political machine, take a close look at its labor-wing, the Confederation of Mexican Workers (CTM). The CTM, which has been under the leadership of 83 year-old Fidel Velasquez for the last three decades, is much more powerful than the AFL-CIO. It represents more than five million workers - as much as seventy-five percent of the country's skilled industri laborers - and does have the legal right to call general strikes. In fact, the only restraining influence upon the CTM's formidable power is its patro the government. The unions affiliated to the CTM, like their leaders, are popularly referred to as charros, a word that literally means cowboys but that in everyday speech denotes servility and selling-out. When CTM-leader Fidel made a demand for a fifty percent wage increase, as he did recently, the unions affiliated to his labor federation parroted his threatening cry. And, when only two weeks later Fidel decided to recant that demand - despit a forty percent increase in inflation since the beginning of the year - his faithful charros acquiesced. In short, by means of the CTM, Mexico's one party-government, run by and for the middle class, has been able to keep th working class under control.

But, there are also unions that are independent of the CTM. While these unions only represent one-sixth as many workers as the CTM, their vociferous demonstrations against the government's austerity program could spark the CTM's more docile but no less discontented workers to oppose the government's severe economic measures.

It is too early to tell what Mexico's multifacetted labor movement will do in this crucial year. The following vignettes will not give the answer, but only some insight into the issues and characters involved.

Charro Jorge Rivera

Jorge Rivera only agreed to talk to me because his boss - the president of Local 18 of the Federation of Mexico City Government Employees and the man I was supposed to meet - had already left for lunch. The second-in-command was on the phone, so Senor Rivera , the number three in the union hierarchy, agreed to deal with me.

"So what do you want to know?" he asked, while looking me up and down.

I explained that I was a journalist trying to find out how worker generally, and those of his mechanics' union in particular, were getting on in these times of economic crisis.

Kim Conroy is a former Fellow of the Institute of Current World Affairs. A generalist interested in the economic problems of Mexico and Central America, she found this newsletter among her things as she was moving to Argentina and mailed it in approximately 13 months after it was written.

"Hmph," he retorted, "It's better to discuss such things in the boss' office. Let's go there."

The office was dark, unventilated and filled with over-stuffed black vinyl furniture. Trophies, cheap souvenirs, and small painted, plaster animals covered the president's huge desk and his many side tables. Evidently there was little space left over in the office to do paperwork. The artificial wood paneling was lined with honorary plaques from the Mexican equivalents of the Elk Club and the like, and an old, very large television cluttered one corner of the room.

Senor Rivera , a heavy-set, thick-jowled man, was dressed in a shiny black polyester suit. Nearly half his face was hidden behind the large black rims of his plastic glasses.

I started the interview with what seemed a reasonable enough question: why was it that since last August, his Local's membership had dropped from 17,000 to 13,000? His answer was evasive, round-about, and unconvincing.

"For a variety of reasons, and for unusual circumstances at a number of plants. Of course, when management began firing our men, we were the first to step in to explain that it wasn't in their interest to do so. Once business picks up, we told them, they would have to spend huge quantities of money to train new mechanics to replace those fired. Agreeing with our line of argument, many firms, like the state-owned Racirim Company, decided to keep their workers on the payroll even though they weren't producing anything. And to keep the workers entertain courses were given in human relations, the family, and other such things.

"And then there's the case of Philips Mexicana, the electrical firm. They also agreed to keep all their workers on board. And to do so, they did something quite creative. They taught them how to make stuffed animals."

"But isn't it a bit expensive for companies like Philips to be paying their skilled workers to make stuffed animals?" I asked incredulously.

"Well, in fact, yes. But if, as I say, the situation..." Senor Rivera interrupted himself to light a cigarette, making time to find an answer to my distasteful question. "You see, there was a case of a factory that shut down. So Philips took over its market...This is the kind of strategy that other companies have also adapted."

I wanted to interrupt what to me appeared to be total nonsense, but Senor Rivera ran on...

"Then there is the case of the car industry, an industry which has fired many workers. Our union controls one of the leading car motor and parts companies, Productos Moresa. They had to fire a lot of people, but they also invented jobs so as not to fire all their workers.

"In fact, all the workers who actually left," he said, implying that they had done so of their own volition, "had only been temporary or part-time employees. And then, there were those who wanted to leave, either because they hadn't been working there long, or for whatever reason. The union also offered a great opportunity to all those who wanted to leave. Regardless of their reason for going - old age, a desire to return to one's birth place, the decision to build a home--for all, we ensured they got the compensation due them. I mean our workers got so many benefits, you'd think they had gone to court and put up a long struggle."

While a million Mexicans lost their jobs last year, the cost of living went up one hundred percent. With such a risky job market, and in such difficult times, it was hard to believe that workers would voluntar leave their jobs or undertake such major expenses as the building of a

house.

"Unfortunately," he went on, "we did have to warn them that they had better be careful because there is going to be a period during which jobs won't be found. That's exactly what's happening now. I mean, this is definitely the most difficult year that I've ever seen. Why?," he asked, "Well obviously because of all the devaluations. That's what has really affected the companies, and us too. All of a sudden the Mexican peso lost half of its value."

Given that most Mexican workers don't take vacations abroad or buy many imported goods, I thought that perhaps Senor Rivera was confusing the word devaluation with inflation.

"No, no inflation is an entirely different problem that has its roots in a decision made in 1974 by President Luis Echeverria. Just because he wanted to be popular, he decided to give the workers a twenty-three percent wage increase. The workers hadn't even asked for it. He just gave it to them. That's when this whole inflation thing got started.

"I and a few others saw back then that when the government granted a minimum wage of one hundred pesos a day (then, in 1974, equal to U.S.$8.30), that everything would go to ruin. And that's exactly what happened.

"President Echeverria also changed things so that there had to be annual salary reviews; they used to be only every other year. It's this that has caused prices to go up and up."

"But do you think last year's salary increases were enough to cover the rise in prices?" I asked, knowing that the wage increase approved by the CTM had been about half the annual inflation rate.

"If I were to speak theoretically," he said, sitting back further in his vinyl armchair, "our labor law says that the minimum wage should cover all the necessities of a man and also provide a little something for amusement. But the truth is, as we are now living with uncontrolled inflation and with everyone doing whatever the hell he feels like, well who knows what will happen!"

Senor Rivera was tiring of my inquiries. I decided to ask just two more questions to wrap up our conversation.

"And how will the next twelve months be, both for Local 12, and for the Mexican workers in general?"

"Those who have work and are unionized are in seventh heaven. They don't have problems really. The ones with problems are the poor guys peddling on the street corners. Do you think they are getting wage increases? No senorita they don't. That's why I say the union men are in seventh heaven, because they have a union that stands behind them, that gives them advice on what to do and where to go."

"And have you been able to find work for the 4,000 of your workers who were fired ?"

"We've tried to have them re-hired, but then again, most of them left the union when they lost their jobs. So we don't know where they are. But, as I told you before, most of them were just temporary workers anyway.

May 1st Mexican Style

Mexico City's May 1st celebration is organized by the CTM, and therefore, indirectly, financed by the government. The CTM hires hundreds of buses to bring workers from thousands of factories in and around Mexico City. While the march to the city's main square

doesn't get underway until after 10:00, many of the workers are dropped off there shortly after sunrise. They are paid a day's wages for taking part in the march; if they refuse to show, however, they can be docked as much as a week's pay. Most of the CTM-unions outfit their people with matching,marching wear. Some provide their workers with bright, new track suits, while others provide the more traditional T-shirt and baseball cap, both adorned with the union's insignia.

When asked last May 1st, most workers didn't know why they were marching, and in the case of the older people there, they could only tell me that they had been required to do so for many, many years. One mechanic,outfitted in his union's uniform of brown pants and beige shirt said, "We are here to show support for the president, Miguel de la Madrid so that he will also support us...But we know he won't," he added with a grin, "because we are too many."

I talked with many workers while waiting for the parade to start. All expressed discontent. Despite the CTM's claim to have already won a 25 percent wage increase this year, not one of the workers that I spoke with had received it. Instead they complained that the price of basic goods had been rising as much as three times faster than their salaries. Inflation, which last year ran at 100 percent, had already reached 30 percent by the end of April.

As one metal worker explained, "We still have enough money to put food on the table, but that's about all. Perhaps once in a while I can afford a bottle of beer, but there's just not enough money to buy the clothing that my family needs."

Yet the dissatisfaction voiced by the workers was not apparent in the placards and banners that their unions had them carry.

"Senor President - We are working with you for the stability of Mexico," read one.

"Senor President - We the petroleum workers, the defenders of loyalty, the planters of friendship, and the workers of the nation, we support you in the restructuring of the country," read another.

With the exception of the May Day festivities celebrated in Moscow's Red Square, probably none in the world could have competed with Mexico's last week, both in terms of sheer turnout - an estimated one and half million workers - and of fanfare. Massive 40x50 foot banners proclaiming the workers' support for the President draped the colonial buildings lining the capital's main square. Huge loud-speakers were hung from tall poles scattered throughout the plaza. No sooner had the announcer blared out the name of the union local about to pass below the presidential balcony of the national palace than Miguel de la Madrid visibly puffed up with pride to greet his loyal subjects with a half-smile and a stiff back-of-the-hand salute.

The workers would cheer loudly as soon as their local's name and number came over the loudspeaker. Orchestrated as it was, it looked as if they were cheering for the President. In fact, they were cheering for themselves.

But this time, perhaps for the first time in the history of of Mexico's May 1st marches, the opposition labor movement was present in force. Ignoring orders to the contrary, 10,000 members of independent, non-CTM unions marched, carrying banners and chanting anti-government slogans, all the while raising their fists in a show of defiance. They chose slogans with a catchy rhythm: "Petroleum rich country, it's people without money!", "Let the debt be paid by the PRI-(the government's party) bourgeoisie!",

and, "National strike against the austerity plan!"

The loudspeakers did not herald the arrival of the independent unions below the presidential balcony. The President maintained his half-smile, but seemed less than eager to salute the hostile crowd. When the first large non-CTM contingent filed by - the Independent Electrical Workers Union - the President only occasionally looked down, preferring to share anecdotes with cabinet members and the tottering CTM leader, Fidel Velazquez.

Miguel de la Madrid had a considerably harder time ignoring the next, much larger contingent of bank, university, and nuclear workers, because once the 5,000 or more workers had positioned themselves below the balcony, they wouldn't budge. Suddenly, the crowds that filled the stands on either side of the balcony, and that had sat quietly while the CTM unions passed, began clapping wildly. They joined the independent workers in both chanting and raising their clenched fists in the President's direction.

"Move forward please, please move forward to allow your other fellow workers to thank the President for his solidarity with our class," cried the announcer desperately. The dissidents not only held their ground for another 20 minutes, but booed and hissed his ridiculous statement. Within seconds, the workers were chanting,"We didn't come to parade, we came to protest!"

The President, trying to ignore those just below the balcony, made an awkward attempt to greet the CTM's docile railroad workers - wearing bright blue conductor's caps, white shirts, and red kerchiefs - who were moving along beyond the protesters, further away from the grandstand.

Miguel de la Madrid stood for five and a half hours watching the union members file by. For a full hour of that time, he was subjected to the rage and indignation of the independent workers. While their presence was barely recorded in many of the newspapers the next day, Excelsior, the capital's most prestigious daily, praised the government for allowing the dissidents to march, and for the respect with which the President had treated the "adverse demonstrators."

No doubt, there were many more dissidents, and much more popular support for them than the government had anticipated. While the government' restraint was admirable, it won't want to endure such humiliation again. Between now and next May, hundreds if not thousands of Mexicans will be laid off, prices will rise by 70 percent or more, and the purchasing power of the working class will be eroded even further. In short, unless the government decides to use force to keep the independent workers out of the CTM's May 1st parade next year, the ranks of the dissidents may be swelled by the previously loyal CTM workers.

(from Kimberley Conroy)

Received in Hanover 6/4/84