



International Metalworkers' Federation

Report of IMF fact finding mission to Mexico



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Preliminary remarks

From June 25 to July 1, 2006, a delegation of the International Metalworkers' Federation (IMF) was in Mexico to collect up-to-date information on the incidents in which the Mexican affiliate Sindicato Nacional de Trabajadores Mineros, Metalúrgicos y Similares de la República Mexicana (SNTMMSRM) is involved.

For this purpose, a number of meetings were held in Mexico D.F. The delegation also visited the region where the Pasta de Conchos mine, which is owned by Grupo México, is located. In February 2006, a serious accident happened in the Pasta de Conchos mine in which 65 miners lost their lives. A detailed overview of the programme and the talks that were held are attached to this report.

The decision to send a delegation to Mexico at the above date was taken in talks with representatives of the SNTMMSRM at the meeting of the IMF Executive Committee in Oslo, Norway, on May 19, 2006.

Conflicts in Mexico

The reason for the visit of the delegation were three incidents which have to be viewed separately although they are interlinked and some of the people involved play a major role in all three cases:

- ▶ the mine disaster in the “Pasta de Conchos” coal mine, which is owned by Grupo México;
- ▶ the corruption allegations against the elected secretary general of the SNTMMSRM, Napoleon Gómez Urrutia, who has been removed from office by the Labour Ministry;
- ▶ the Labour Ministry’s attempt to remove the elected secretary general of the SNTMMSRM and replace him by an outside candidate that suited the Labour Ministry.

Mine disaster in “Pasta de Conchos”

On February 19, 2006, a disaster happened in the coal mine in the north of Mexico in the State of Coahuila, some 150 km from the US border to Texas, which claimed the lives of 65 miners. The reason has long remained unclear. According to colleagues, the owner, Grupo México, is systematically shielding the affected families from the public. The access to the mine is highly restricted. Testimony from family members of the dead claim that information is inconsistent and they feel intimidated by the company. Company representatives insist on having meetings with families on a one-on-one basis rather than as a collective group.

At the time of the delegation’s visit to Sabinas, first reports appeared in the Mexican press that a high concentration of methane gas had already been observed on the eve of the explosion. This information is supported by interviews with workers of the mine.

Apparently, individual miners first refused to go down the pit but were threatened with job losses as most of them were hired by employment agencies and not employed by the group itself. Forty of the 65 miners killed were reported to be contract employees.

After the disaster, the SNTMMSRM, lead by its secretary general, Napoleon Gómez Urrutia, accused the mining firm and the Minister of Labour of “industrial homicide” and pointed out that an inspection committee had already established a lack of safety measures in this mine a few months earlier.

These allegations have now been confirmed by the “National Human Rights Commission” which accused the Labour Ministry of having grossly neglected its duty of supervision as the authorities were informed that the mine’s safety regulations had not been complied with. As early as July 2004, Labour Ministry officials had already identified 48 problems when inspecting the mine. According to the commission, not even a single problem had been solved by the time of the disaster.

The commission also accused the company of doing everything it could to put the mine back into operation as fast as possible, but at the same time not enough to recover the bodies of the miners. At the time of our visit at the end of June 2006, the first body was being recovered from the mine. Until today the rescue teams have not recovered any other bodies.

At the same time, word was being spread that the company was trying to avoid its obligation to pay compensation. The relatively small amount of US\$ 6,000 to which the families and wives of the victims were entitled was to be reduced for younger widows who still had a chance to find another husband.

Corruption allegations against Napoleon Gómez Urrutia

In May 2002, Napoleon Gómez Urrutia became secretary general of the SNTMMSRM. He succeeded his father who had held this position for decades. As is often common practice in Mexico, he was appointed by the National Executive Committee as Secretary General Substitute for the term remaining of his father’s last period. In 2002 he was unanimously elected as General Secretary by an Ordinary Union Convention and then recognised by the Labour Minister.

But Napoleon’s approach was different from what many had expected. Under him, the miners’ union received democratic structures and started to fight for an increase in miners’ wages and benefits and an improvement of their working conditions. The union is supposed to have led more than 25 strikes in the subsequent years all of which were successful. In this way, the secretary general did not exactly win the approval of a few mining companies and their owners.

Even within the trade union movement, Napoleon Gómez Urrutia has pursued a different policy than the heads of the Congreso de Trabajo (CT) or the Confederación de Trabajadores de México (CTM) who have lost touch with the grass roots. With his demand to abolish “contratos de protección”, Napoleon did not only apply the axe but the chain saw to the pillars of power of corporatist Mexican trade unions which are integrated in the political system (above all the CT and CTM).

And he has also achieved something else. For the first time in their history, Mexican trade unions have championed the cause of miners in other countries such as the US and Peru. The miners forged a coalition with the trade unions in these countries and took concrete action when collective agreements were negotiated for mines within Grupo México, which also involved solidarity measures beyond borders.

The incidents in the wake of the disaster at the Pasta de Conchos mine might have been “the straw that broke the camel’s back”. When Napoleon Gómez Urrutia accused those in charge of “industrial murder”, the Labour Ministry’s response came without delay. Transactions related to a trust fund, which have not been clarified to this day were used to accuse Napoleon Gómez Urrutia of corruption. The Labour Ministry removed him from his post as secretary general and froze all personal and union assets. In place of Gomez, Elias Morales Hernández, a former collaborator of Napoleon’s father who had been dismissed during Napoleon’s term of office and who was later on expelled as a union member, was “appointed” and “recognized” by the Labour Minister as new secretary general. According to internal information, Morales cannot only rely on the Labour Ministry’s support but also on the support of Grupo México. In Mexico and trade union circles, he is not exactly regarded as “Mr. Clean”.

This again was not accepted by the miners’ union. At a trade union congress at the beginning of May, Napoleon was confirmed as secretary general by an overwhelming majority. Spontaneous strikes broke out in a number of mines to support his cause. During a police intervention in one of the mines two strikers were killed.

Some of the strikes are going on to this day. The miners still refuse to accept the new secretary general who was “imposed” by the Labour Ministry and insist on reinstating Napoleon Gómez.

The corruption allegations are based mainly on the misappropriation of trust funds worth US\$ 55m. This trust fund goes back to an incident that occurred in 1988. At that time, the Cananea mine went bankrupt. The judge in charge of bankruptcy proceedings wanted to give everybody who was interested the opportunity to take over the mine. Five per cent of the assets were to go to the union. At that time, the company did not fulfil its pledges and obligations. Only 16 years later, an agreement was made to place the amount under a trusteeship in the form of shares and to buy back the shares at a fixed price (= 55m).

Entitled to payments from this fund are workers who were employed by the company at the time of the privatisation. According to the Secretary of Labour, some 6,000 charges were filed by miners in two provinces which documents that they have not received anything from this fund to this day although they claim they are entitled to payments (in fact it is 3,200 individual claims). The SNTMMSRM complains that it is difficult to find all those entitled to payments as the company refuses to hand over the original payroll from that time.

As to the total amount which has been paid out so far, the information that is available publicly is contradictory. It also does not seem to be clear what has happened to the remaining funds. According to leading experts in labour law, payments were stopped after the charges had been filed to wait for the decision on these charges. In some of the meetings, it has been suggested that part of the

money was possibly used to finance infrastructure projects such as schools etc. in miners' communities.

In the case of corruption allegations as a whole, there are quite a few inconsistencies: According to the Labour Ministry, it was necessary to take action after three members of the union's Vigilance and Justice Committee submitted a written statement saying that they did not agree with Napoleon as their secretary general. Under Mexican law, this is enough for the Labour Ministry to take action. According to the miners, one signature was forged due to a grafological expertise. The third signature of Morales the candidate of the Labour Ministry, was inadmissible as he is not a member of the union.

Morales himself seems to get information from the Labour Ministry on a regular basis to take action afterwards. Two days after the talks of the delegation with Labour Ministry officials, during which the members of the delegation were told that the Ministry had found 144 accounts of the SNTMMSRM abroad in the course of its investigations, Jorge Campos, a member of the delegation, received a letter from Morales (though without signature) in which he pointed out that money of the Mine Workers' Union has been transferred to three accounts without authorisation: to one account in Switzerland (the IMF account at Coop-Bank in Basle to which the membership fee of the miners has been transferred), one in Chile (the account of the IMF Latin America Office) and one in Bogotá (according to Campos the miners' share of a fundraising campaign for trade unions in Columbia which was launched by Latin-American affiliates). The letter did not only contain the correct account numbers but also the exact amounts. The question is, where did Morales, who does not have any access to the trade union's accounting and banking records, get this information?

The three bank accounts seem to belong to those foreign accounts the Labour Ministry found in the course of its investigations. If this is the case the quality of this investigation has to be questioned. The transfer of money to these accounts by the SNTMMSRM nothing else than fulfilling its obligations due to the membership in a Global Union Federation.

It is even stranger that the government obviously has problems finding judges who are willing to sign arrest warrants or requests to search for wanted persons. According to newspaper reports published when the IMF delegation stayed in Mexico, even a police division such as the special commission to fight money laundering (called SIEDO) dropped the case as it could not find any evidence for such incidents.

Violation of trade unions' autonomy

The third area of conflict relates to the Labour Ministry's activities to remove Napoleon from office and to install Morales as new secretary general. This is a clear violation of the trade unions' autonomy and has to be regarded as a breach of ILO Convention No. 87 which has been ratified by Mexico.

No matter what the allegations of fraud will reveal, the decision as to whether and when Napoleon will be removed from office is entirely up to the SNTMMSRM and its democratic structures and institutions and not up to the Labour Ministry. At the same

time, the Labour Ministry cannot have the right to install a new secretary general by force and decree who does not have the support of trade union bodies. Moreover, Morales has not only been officially dismissed from the trade union as employee but has also been expelled from the trade union based on the union's constitutional proceedings and regulations.

In a meeting, the Secretary of Labour said that a court has annulled this expulsion. The documents show, however, that the court which annulled the expulsion is not an independent court but a "Junta de Conciliación y Arbitraje", an authority which monitors compliance with the labour law. As far as their interpretation of the labour law is concerned, these Juntas are seen very critical and as guardian of the undemocratic trade union structures which violate ILO Convention No. 87 (see IMF report on problematic aspects of Mexican labour law). Apart from a government representative, these Juntas also comprise a representative of the employer and the trade unions. This trade union representative comes from the CTM which is a main pillar of the corporatist Mexican trade union system. Napoleon Gomez's activities regarding the abolition of "contratos de protección" would deprive in particular the CTM of a major part of its power basis.

Considerations / proposals for activities of the IMF

With regard to further activities of the IMF, the following approaches may be adopted:

- ▶ As far as the accident in the Pasta de Conchos mine is concerned, pressure has to be exerted to make sure that the reasons for the disaster, to which a lack of safety measures has most likely contributed, are disclosed and those responsible made to answer for their actions. It will also be necessary to question the obscure role of the Labour Ministry which did not do anything to rectify the shortcomings it had found in the safety regulations two years earlier. The extent to which private interests and connections are involved - the Secretary of Labour's business dealings with Grupo México must be confirmed and revealed as well. In the case of the mine disaster, the IMF should officially offer experts to investigate the incident, even though Grupo México will probably not agree.
- ▶ Moreover, care has to be taken that the company does not escape the obligation it has towards the families of the killed miners. Rumours of attempts to do so had already been going round when the IMF delegation paid its visit (such as little or no compensation for young women as they can find another husband to support them).
- ▶ At the same time, it will be necessary to question the system of monitoring compliance with safety regulations and put it to discussion.
- ▶ The Labour Ministry's violation of the SNTMMSRM autonomy has to be sharply criticised and everything has to be done to ensure that the competent ILO bodies condemn this move as fast as possible. Tolerating or accepting this kind of interference would not be understood by Mexico only as an invitation to continue with such actions against unwelcome and inconvenient trade unionists.

- ▶ It is getting more difficult when it comes to the fraud and corruption allegations against Napoleon Gómez himself. So far, all the indications are that the government (above all the Labour Ministry), supported by a number of companies, wants to seize the opportunity with both hands to get rid of an unwelcome opponent. Concrete evidence against Napoleon has not yet been on the table or revealed, if it exists at all. The fact that the government had difficulties finding a judge who is willing to sign a warrant of arrest before the date of the presidential elections rather seems to indicate that the body of evidence is not quite conclusive.

- ▶ The fraud allegations are an important component of this conflict. Therefore efforts have to be made to inform the public about the use of the trust fund. While such an overview have already been delivered by the SNTMMSRM itself but seems to be neglected in the Mexican press the IMF should with the agreement of the miners think about providing experts from outside Mexico to record and certify the use / whereabouts of the money and to make the international press aware of this.

Los Mineros: Background and Chronology

- May 2002** Mexico's Secretary of Labor recognizes Napoleón Gómez Urrutia as general secretary of the National Union of Mining and Metallurgical Workers of Mexico (known as Los Mineros) for a six-year term, taking over from his father, Napoleón Gómez Sada.
- September 2004** Fox administration steps up pressure to enact labor law reforms aimed at flexibilizing the labor market.
- April 2005** Los Mineros forms a strategic alliance with the 850,000-member United Steelworkers.
- June 2005** As part of an international solidarity campaign backed by the International Metalworkers Federation (on whose executive committee Gómez serves), more than 10,000 union miners employed by Mexican-owned Grupo México carry out simultaneous protests in Mexico, Peru, and the United States to demand that the company stop violating worker rights.
- August 12, 2005** Some 80,000 Mexican miners join in a one-day cross-border solidarity action with 1,500 USW members employed by Grupo México subsidiary Asarco copper mines in Arizona and Texas, supporting a strike that will eventually last four months.
- September 2005** After waging a 45-day strike against steel producer Grupo Villacero's Sicartsa plant in Lázaro Cárdenas, Michoacán, 2,400 members of Los Mineros win an 8 percent wage gain, 34 percent in new benefits, and a one-time cash bonus.
- February 14, 2006** Gómez and other leaders of the Labor Congress challenge the re-election of Victor Flores, who is supported by the labor secretary.
- February 17** After receiving an alleged, unauthenticated request from members of the union's Vigilance and Justice Committee, the Mexican government withdraws recognition of Gómez, accusing him of embezzling \$55 million in union funds and replacing him with company-backed rival Elias Morales Hernández; no charges are filed, but a spokesperson for President Vicente Fox alleges that Gómez is guilty of corruption. The "recognition" of Morales is made public only on February 28.
- February 19** An explosion at Grupo México owned Pasta de Conchoss mine kills 65 miners, mostly temporary contractors with no training and insufficient oxygen supplies; Gómez calls the deaths "industrial homicide".
- March 1** More than 250,000 miners at 70 companies in northern and central Mexico walk off the job to demand Gómez's reinstatement and safer working conditions; the mining industry comes to a halt during the two-day worker action.
- March 7** Members of Mexico's top labor unions join Los Mineros as more than 50,000 union members march in Mexico to demand Gómez's reinstatement and the labor minister's resignation.

- March 17** Thousands of union members, students, and community activists in six U.S. cities rally in support of Gómez and worker rights in Mexico
- March 18** Los Mineros calls an extraordinary convention to reconfirm Gómez as secretary general
- March 22** U.S. and Canadian Steelworkers leaders travel to Mexico to voice their support for Gómez and Los Mineros
- March 24** Workers at Grupo Mexico's La Caridad copper mine walk out during contract negotiations, refusing to bargain unless Gomez can lead talks; the strike spreads to a nearby Grupo Villacero plant and mega-corporation Mittal Steel, which owns the former Bethlehem and LTV mills in the United States
- March 31** IMF files complaint with ILO to protest Gómez's removal, citing violations of Conventions 87 and 98
 - April 3** Strike begins at Sicartsa steel mill
 - April 5** Strike spreads to Grupo Mexico's San Martín zinc mine
 - April 7** Grupo Villacero fires 300 Sicartsa strike leaders and 300 workers at its Viga Trefilados steel plant, while Mittal Steel fires 800 union members
 - April 12** Mittal Steel backs down, reinstates fired workers, agrees to pay wages and benefits during strike period, withdraws all legal actions, and recognizes Gomez as union leader; encouraged striking workers at other plants vow to continue their struggle
 - April 20** Police storm Sicartsa plant with tear gas, clubs, and guns, killing two striking miners and wounding dozens more; Gerard decries government's "murderous actions"; 1,000 women march to the mill protesting the attack
 - April 28** More than 4 million miners, teachers, electricians, telephone workers, and other union members participate in a rolling general strike during a day of action on Los Mineros
 - May 1** Hundreds of thousands of workers from unions affiliated with the newly formed National Front for Trade Union Unity and Autonomy participate in May Day marches around the country, with an end to government interference in Los Mineros as a principal demand
 - May 2** Los Mineros begin their 34th regular Convention in Mexico City
- July 2, 2006** Presidential elections in Mexico

Primary source: www.solidaritycenter.org , July , 2006

Program of IMF delegation

June 25, 2006	Arrival in Mexico-City
June 26, 2006	
09.00	Meeting FNAUS (Front for the Defense of Trade Union Autonomy)
13.00	Meeting with Executive Committee members of UNT
17.00	Meeting with labor lawyers (Nestor de Buen, Alfonso Souzas etc.)
June 27, 2006	
09.00	Meeting Executive Committee SNTMMSRM
12.00	Meeting with members of the Mexican Parliament
16.00	Meeting with Ben Davis / Solidarity Center of the AFL-CIO
19.00	Meeting with the Mexican Labour Minister, Francisco Salazar Sáenz
June 28, 2006	Flight to Piedras Negras / Continuation by car to Sabinas / Coahuila
	Meetings with representatives of SNTMMSRM / mine workers / families etc.
16.00	Visit coal mine Esmeralda
June 29, 2006	
09.00	Continuation meetings with mine workers / families / trade unionists
	Return to Mexico – City
June 30, 2006	
15.00	Interview with TV team
16.00	Meeting with José Luis Rodriguez (General Secretary SITIAVW)
17.00	Meeting Friedrich-Ebert-Foundation
July 01, 2006	Return to Geneva

