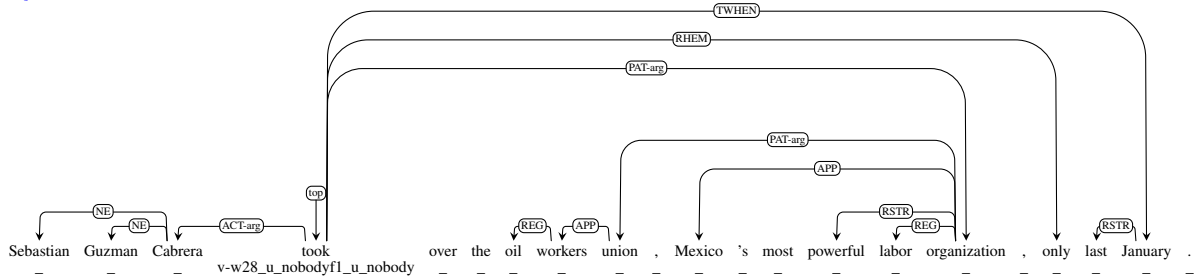
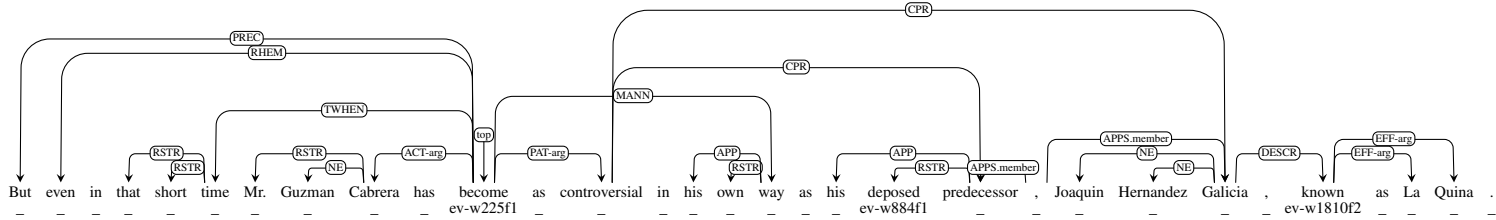


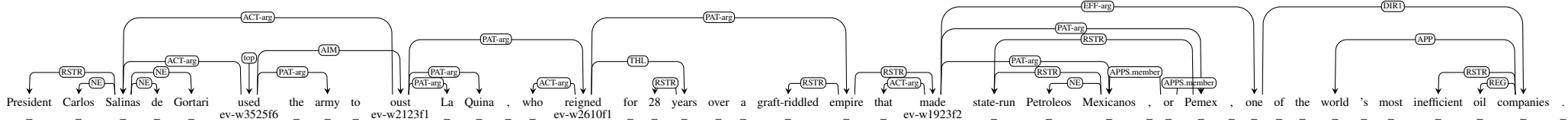
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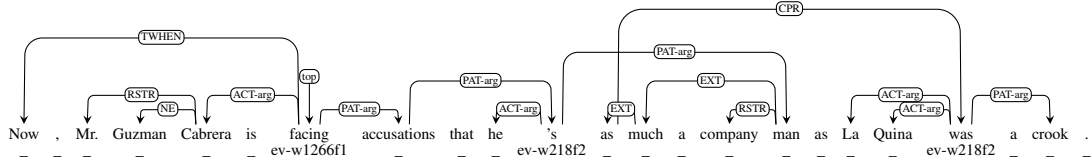
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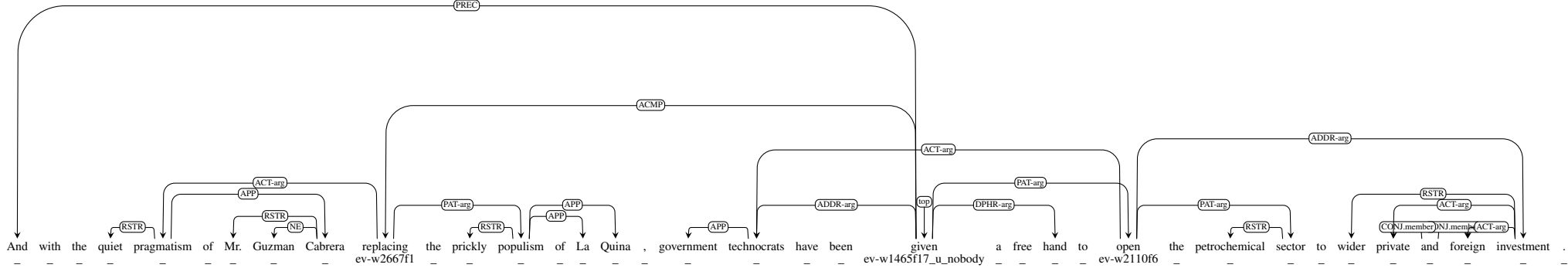
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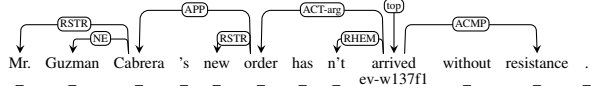
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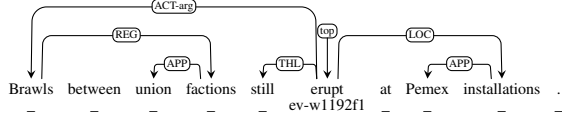
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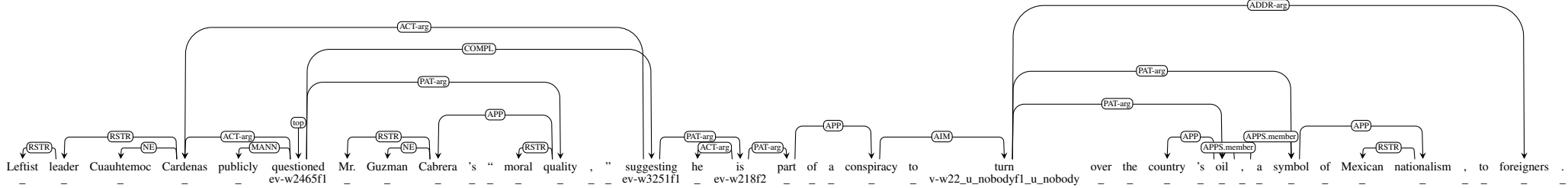
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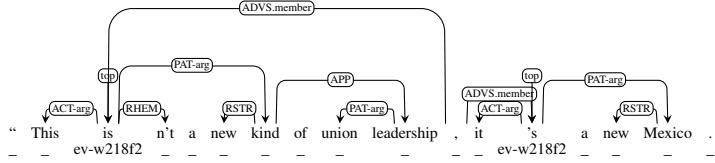
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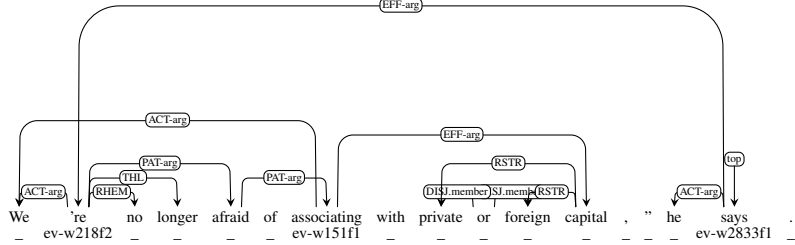
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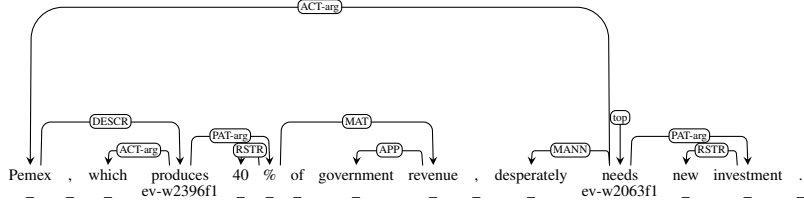
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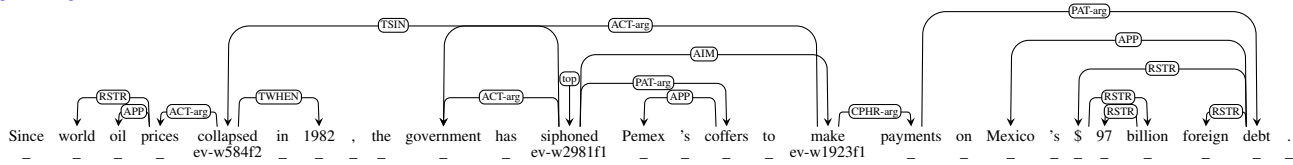
[21789012]



[21789013]



[21789014]



[21789015]

Little money has been returned to upgrade Pemex 's aging facilities .

[21789018]

The declines in investment and efficiency explain in part why Mexico has been importing gasoline this year .

[21789019]

Some projections show Mexico importing crude by the end of the century , barring an overhaul of operations .

[21789021]

Enter Mr. Guzman Cabrera , who has a clear understanding of where union leaders fit in the pro-enterprise regime of President Salinas .

[21789022]

" I 'm the secretary-general , if there is one , " he says , greeting a visitor to his office .

[21789023]

Beginning as a laborer in a refinery , Mr. Guzman Cabrera put in more than 40 years at Pemex before being pushed into retirement by La Quina after a dispute two years ago .

[21789024]

Though he also long benefited from the system built by La Quina , Mr. Guzman Cabrera says union perks had simply gotten out of hand .

[21789025]

They are " at the base of all of the problems of corruption , " he says

[21789026]

Thus , in recent contract negotiations , Mr. Guzman Cabrera gave up the union 's right to assign 40 % of all of Pemex 's outside contracts - an enormous source of kickbacks .

[21789027]

The union also ceded the 2 % commission it had received on all Pemex maintenance contracts .

[21789028]

(The union will keep a 2 % commission on construction projects .)

[21789029]

The new contract also eliminates the \$ 15 monthly coupon , good only at union-owned grocery stores , that was part of the salary of every worker , from roughneck to chief executive .

[21789030]

About 9,800 technical workers , notably chemists and lawyers , were switched to non-union status .

[21789031]



