

# Workers' struggles around the world - 4 July 1998

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## Puerto Rican unions issue call for general strike

The two-week confrontation between striking telephone workers and the governor of this US Commonwealth island has escalated with a vote by a coalition of unions to carry out a two-day general strike July 7 and 8 to stop the privatization of the Puerto Rico Telephone Company (PRTC). Over three thousand delegates representing 60 unions voted June 29 to set the date for a general strike after a series of day-long strikes by water, port, electrical and other workers over the last two weeks.

Governor Pedro Rossello, a proponent of free market policies and US statehood for the Caribbean island, is seeking to sell off PRTC to a consortium led by GTE Corporation, the US telecommunications giant. Rossello who has dispatched police to violently attack strikers and their supporters said that the call for a general strike was equivalent to launching a coup d'etat. Another leading government figure said, fortunately for Puerto Rico it was "under the protection of the American flag."

The strike by 6,400 phone workers has disrupted service for 350,000 customers and interrupted banks, Internet and cellular phone services and other businesses that depend on the government's phone company. The sale of the phone company, which would lead to massive job losses, is the centerpiece of Rossello's privatization program, which includes the sale of utilities, health care businesses and the sugar industry.

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## Venezuelan Oil Workers on Strike

About 14,000 oil industry workers walked off the job Thursday to demand higher wages, but government officials said there was no money for raises with oil prices at their lowest in a dozen years.

Earlier this week, public sector doctors and court workers also went on strike. Thousands more oil workers may join the walkout next week, union leaders said.

Government officials recently announced they were shaving \$1.6 billion from this year's national budget because of plummeting oil prices. Oil accounts for three-fourths of Venezuelan exports.

The oil workers want their salaries increased by 5,000 bolivars (\$9) a day. The average daily wage currently is 3,000 bolivars (\$5.40).

The state-run oil monopoly, Petroleos de Venezuela, said production was not affected by the strike. The company employs about 45,000 people.

## Canadian Paper giant threatens to close two strike-bound mills

Abitibi-Consolidated, the world's largest paper producer, is threatening to permanently close two of its 11 strike-bound paper mills in eastern Canada. An Abitibi spokesman told reporters July 2 that the company will shut its plants in Trois-Rivieres and Chandler, Quebec, if a strike by 5,000 members of the Communications, Energy and Paperworkers Union is not rapidly concluded. The Trois-Rivieres and Chandler plants employ 1,300 workers.

In justifying the closure threat, the Abitibi spokesman said the company has suffered a sharp decline in orders since the strike began June 15 and that the two mills are the least productive of the 11. The chief issue in the strike is the company's demand for a separate contract at each mill, so it can pit mill against mill in a cost-cutting drive.

Industry analysts believe the company provoked the strike so as to drive paper prices higher and proceed with a major restructuring of its operations. There have been no negotiations since the strike began.

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## No prosecution for Nova Scotia mine deaths

Nova Scotia prosecutors dropped charges of manslaughter and criminal negligence against two Westray coal mine managers June 30, leaving no one accountable for the explosion that killed 26 miners on May 9, 1992. Family members who were promised by police and prosecutors that the deaths of the miners would be examined at a criminal trial were outraged after the announcement.

The two managers, Gerald Phillips and Roger Parry, were initially charged in April 1993, but their first trial two years later was thrown out by a provincial judge who said the Crown had not properly disclosed evidence to the defense legal teams. A new trial was later ordered by a lower court and upheld by the Supreme Court of Canada.

A provincial inquiry into the disaster found that the explosion was caused by a spark from a mining machine igniting methane gas and coal dust. During the inquiry both managers were cited for failing to deal with hazards posed by the high levels of gas and dust in the mine. However, prosecutors said June 30 that they had insufficient evidence to attain convictions.

Joe MacKay, whose brother Mike died in the blast, said, "It doesn't matter how many miners were in there to tell them the hell that they went through and what the conditions were like ... Six years of hoping the

justice system was going to work for us and all we got was a kick every time we turned around and we are still getting kicked."

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### **Northwest Airlines, Pilots end talks**

Northwest Airlines and its pilots union ended three days of talks with no progress reported and no new talks scheduled. The two sides met in Denver this week with federal mediators for the first time since the Northwest Air Line Pilots Association told the National Mediation Board that the carrier had stopped negotiating and that the union which represents 6,300 pilots believed the talks were at an impasse.

Only the government board can declare an impasse, which would trigger a 30-day cooling-off period that could be followed by a strike. The mediators were expected to hold off on declaring an impasse at least until late this month, when machinists, ground crew and other workers represented by the International Association of Machinists vote on a tentative contract agreement with Northwest. The pilots and Northwest have been in contract negotiations since August 1996.

The Northwest situation is indicative of growing anger among airline workers whose wages have stagnated while the airline industry profits have skyrocketed. Airline profits are expected to rise to \$6.5 billion this year, up from last year's record \$5.3 billion.

Last weekend contract talks between Trans World Airlines (TWA) and its 2,700 pilots failed to reach a settlement. TWA pilots are threatening to stop working the overtime hours which the airlines require to fly passengers during the busy summer travel season.

At Continental Airlines, the 1,000 pilots who fly planes for the airline's regional carrier, Continental Express, rejected a recent contract offer and have threatened to strike.

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### **Buffalo nurses union accepts concessions**

Large numbers of Mercy Hospital nurses in Buffalo, New York opposed a concessions deal signed by Communication Workers of America Local 1133 at the end of June. Union officials called the contract, which passed by a margin of 258 to 150, "pleasing" but it only modified the issue of forced overtime without pay, while maintaining virtually all of the hospital's takeaway demands, including a 1 percent pay cut, increased co-payment of medical insurance and outsourcing of services.

In three previous votes over the last several months hospital workers rejected the union's recommendations to accept management's contract offers. A nurse said, "I was told the national union office would not support a strike because we were too weak to win. I really question our union leadership. Our president is also a nurse, but she is always meeting with management." She then explained that the union leadership broke up the opposition among rank and file workers by negotiating "separate deals for certain departments."

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### **Philippine pilots locked out**

After striking for three weeks, Philippine airline pilots were dismissed when they reported for work this week, following a Labor Department order to end their walkout.

The strike began on June 5, after a pilot was sacked under an early retirement program agreed to by the union leadership. The agreement allows management to retire pilots after 20 years service or 20,000 hours, regardless of age.

On Monday June 15, PAL also sacked 5,000 other workers, claiming it had to retrench to survive. The airline has announced plans to sell 40 planes out of a fleet of 54 and is cancelling orders for new aircraft.

About 1,000 sacked workers, including pilots, cabin attendants and ground crew, held a noisy demonstration outside the company's head office on Wednesday.

The three airline unions are urging PAL management to compromise. Alexander Barrientos, president of the 9000-strong ground crew union, warned that some of the dismissed workers might take action. "What I fear here is that this is taking away people's jobs, and families get hungry and trouble might occur. You really can't say."

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### **Chinese Airline sackings**

Southern China Airlines, China's largest, has joined other airlines throughout Asia in announcing savage cost-cutting and downsizing.

The airline plans to axe 10 percent of its 16,000-member workforce this year in the face of mounting losses. It aims to cut engineering, cabin crew and casual jobs in a bid to save 4.8 million yuan (\$600,000) this year.

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### **South Korean police arrest strikers**

Police detained 350 striking subway workers in Pusan July 3 after protests brought morning commuter traffic to a standstill in South Korea's second largest city. Authorities in Pusan, a port city 200 miles south of Seoul, said they would arrest union leaders accused of organizing the protest.

Subway workers first staged a sit-down strike on the subway tracks, demanding better working conditions and job security. When nonunion workers were sent in to keep the trains running on time, strikers reportedly set fire to furniture tossed on the tracks and doused with paint thinner. Thousands of police were dispatched to remove the union workers.

Management wants to cut the subway workforce by an undisclosed number of workers and staff trains with only a driver, eliminating the assistant's position, to reduce the deficit on the mostly municipally-owned subway system. Weeks of negotiations have failed to produce an agreement.

Meanwhile, threats of more labor unrest soared today after the government announced it will privatize 11 state-owned corporations to increase efficiency and attract foreign investment.

Thousands of workers employed by local administrative bodies and 247 local government-funded corporations in South Korea will lose their jobs by the end of this year. The Planning and Budget Commission (PBC) and Ministry of Government Administration and Local Autonomy have announced they will cut 30,000 jobs from a total workforce of 290,000 as part of a plan to axe 87,000 jobs by 2002.

A PBC spokesman said the government was considering privatising the

parking lot management corporation, the public facilities management corporation, management of tapped water and the sewage system.

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### **Australian unions drop airline pay demands**

The Australian Council of Trade Unions (ACTU) is moving to assist Ansett Airlines to overcome its financial problems at the expense of airline workers. The union body dropped negotiations for a new agreement that included a meager pay rise for the company's 17,000 workers when Ansett announced this week it was facing a "deteriorating financial position".

Union leaders also called off a stopwork meeting of pilots scheduled for this week to discuss their campaign for a 2 percent pay rise. Ansett has imposed a virtual wage freeze, saying that it could not even consider an increase of 1 percent until March 1999.

The company has foreshadowed major restructuring, including withdrawal from non-core airline operations such as catering and express freight, threatening over 2,000 jobs.

Ansett canvassed staff earlier this year to gain "expressions of interest" for 1,400 voluntary redundancies. The airline also axed 40 jobs when it cancelled services to Korea in February.

Ansett, part-owned by media magnate Rupert Murdoch, claims to have suffered operating losses since the end of December, spiralling to an estimated \$20-30 million in the June quarter.

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### **Ericssons plant to close**

Over 200 workers at the Ericssons Broadmeadows factory in Melbourne, Australia, fear for their jobs following a media report this week that the Swedish-owned transnational telephone equipment manufacturer will close.

The report said the company, which has operated in Australia for 36 years, would close its plant as part of a global rationalization. Last year the company stopped making blank-printed circuit boards in Australia, but continued to build telephone exchange and switching systems. Workers believe the company will shift its operations to China where labor is cheaper.

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### **French mint workers strike stops production of new Euro currency**

Following a dispute over working conditions, including longer hours and productivity targets, workers at the French mint in Pessac, in southwestern France, have taken strike action halting the production of the new Euro coins. The plant opened on May 11 amidst wide publicity.

The dispute comes just one month after the coins were approved by the French Finance Minister. It is alleged that the French government demanded the production targets in order to be the first to complete new coin production. The strike began on June 24 after workers voted

unanimously for the stoppage. One of the demands of the strike is for the management to employ more staff in order to meet the Euro currency requirements by the end of the year.

A meeting between management and a delegation of staff failed to reach an agreement. A spokesman for the CGT union said that "management has over-estimated production capacity... we have great difficulty in keeping to the programme."

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### **Euro Disney workers strike**

Restaurant workers, cleaners, technicians and parade performers are on strike at Disneyland Paris. The strikers' main demand is a 7 percent increase in salary. Disneyland officials say such an increase is out of the question, saying workers have received an 8 percent rise over the last three years.

Euro Disney, the holding company that is 39 percent owned by the Walt Disney Co. in Burbank, California, opened the park's doors in April 1992. It reported an annual profit since 1995, in part by cutting labor-costs that have triggered strikes.

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### **British rail maintenance workers national strike**

On Monday June 29 members of the Rail, Maritime and Transport Workers union (RMT) began a one-week strike. It follows a four-day strike earlier in June. Maintenance workers in nine private companies are demanding a 35-hour week, a significant pay increase to compensate for planned streamlining and vast productivity increases. This follows similar RMT-led campaigns by signal staff and conductors over the last five years.

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### **Strike ballot at Yorkshire Water**

Workers at Yorkshire Water are involved in a strike ballot demanding a major increase in pay. The ballot is in response to the vast profits and directors' pay increases announced this week. Executives of the privatized utility company have awarded themselves pay rises of 30 percent. Chief Executive Kevin Bond will get a bonus of \$55,000 on top of his basic salary of \$185,000, as well as "benefits in kind" of \$185,000. He claimed that the bonuses were "justified on the basis of performance". The company was criticised during the 1995 drought, when widespread supply failures forced the use of standpipes. The company has issued a statement claiming: "It is important that the company attracts and retains the right calibre of director."

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### **Volvo closes west European factories in four countries**

The Swedish company, Volvo is to end production of its bus and coach operation in Vienna, Austria and Heilbronn, Germany with the loss of 400 jobs. Volvo is also cutting up to 250 jobs at its plant in Irvine, Scotland. The plant at Irvine employs 500 at present. Volvo's plant in Vanda, Finland, will also be hit by job losses.

The operations in Finland and Scotland are to be transferred to Volvo's plant in Boras, Sweden by the year 2000. The restructuring decision has been taken because the company intends to expand its plant in Wroclaw, Poland by raising its annual capacity from the present 300 to 1,100 and a further 1,400 chassis a year. Following the investment in Poland, the Wroclaw plant is to reach full capacity in 2001. The company said the changes were vital for it to expand into the eastern, central and southern bus markets. Volvo is Europe's biggest heavy-duty manufacturer of buses and the second biggest producer of buses overall.

The announcements take place as industry analysts say that Volvo has become the target for a possible takeover by Volkswagen, Europe's largest car company. VW has recently acquired Britain's Rolls Royce and Italy's Lamborghini and is interested in expanding its products to include big commercial vehicles.

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### **Investment bank closes with loss of 350 jobs**

The investment bank Caspian Securities is to close with the loss of 350 jobs, just three years after it was founded. The company plans to close its unprofitable businesses and sell the profitable ones to its shareholders. The bank's closure follows its recent withdrawal from the securities market and secondary market trading. The crisis in the Asian Pacific region and competition from Latin America has forced the company into the decision to close.

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### **Job losses sweep the United Kingdom**

A wave of plant closings and mass layoffs have spread throughout Great Britain.

In Scotland, Marshall Foods is to shed 170 jobs at its chicken processing plant in Coupar Angus, Tayside. The job losses will reduce Marshall's workforce to 350. The plant, one of the biggest employers in the area, is losing money and is likely to be sold in the near future. Only 20 of the jobs lost at Tayside are to be transferred to Marshall's plant near Edinburgh. The production slowdown will also adversely affect the local agricultural economy.

Five hundred workers will lose their jobs with the closure of a Digital plant in Irvine, Scotland, as part of the 17,000 worldwide job losses since the recent merger of computer manufacturers Compaq and Digital. In addition, the South Korean company Hyundai has announced that it is indefinitely suspending plans to build a new plant in Dunfermline. The decision puts 2,000 jobs in jeopardy, with 800 construction jobs also being lost. Hyundai said this was due to the recent introduction of advanced computer chip technology, overcapacity in the semiconductor market and a decrease in the price of memory chips.

Dawson International, the Scottish Knitwear group, announced the closure of two factories with the loss of 720 jobs. Laidlaw Fairgrave Yarn woollen business is to close its factory at Galleseils with the loss of 200 jobs. The Pringle factory at Berwick is to close with 280 workers made

unemployed and the loss of a further 145 jobs elsewhere. Fifty jobs are to go at Todd Duncans, Kinross.

Elsewhere in Britain, MFI, the furniture manufacturer, is to cut 1,500 jobs, after a \$10 million collapse in annual profits. The company is closing its warehouse division and reducing its product range from 12,000 to 5,000.

The parent company of Massey Ferguson, the tractor manufacturer employing nearly 2,400 workers in Coventry has said that the jobs could be threatened if Britain decides against joining the European Single Currency. Robert Ratcliffe, the Chief Executive of Agco Corporation in the United States, said that Britain "will not be an attractive place for investment. If it doesn't get in line, our future investment in Coventry will reflect our displeasure."

Nuclear power company British Energy has also announced the loss of 100 jobs with the merger of its two operations, Nuclear Electric and Scottish Nuclear. The merger will cost British Energy \$10m, which the company expects to save on an annual basis following the job losses.

Layoffs have also affected government workers. Four hundred and seventy workers from the Direct Service Organisation (DSO) in Liverpool face the immediate loss of their jobs. The Liberal run local council were issued a directive from the Deputy Prime Minister John Prescott's office, the Department of Environment, Transport and the Regions, DETR, to tender the contract after discovering what it called irregularities in the 1996 bid for services by the then Labour council.

The DETR claimed that the council's successful tender was invalid because there was a lower bid put in by the private sector firm, Bophries, yet the council awarded the contract to its own department. Workers were sent letters from DSO management declaring that the services would now be run on a "best value" principle. Council workers are attending a mass meeting in Liverpool on Friday July 3 to decide what action to take.

Sheffield's Labour Party controlled Council threatened 300 workers with the sack if they refused to sign new contracts by Friday July 3. The new contracts will force a change to the normal payday, resulting in workers losing two weeks pay.

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See Also:

[WSWS Full Coverage of the GM strike](#)



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