

# Workers Struggle: The Americas

24 August 1999

## Argentine public workers demand unpaid wages

Protests by Argentine public workers demanding unpaid wages have delayed the official opening of a gas pipeline between Argentina and Chile. The protests took place in the Argentine city of Jujuy, where the presidents of the two countries were scheduled to open the installation. Protesters gathered along the motorcade route, and some of the official vehicles were stoned.

The Argentine economy is reeling from the recent collapse of the Brazilian real and is constrained by a fixed exchange rate that severely limits monetary policies. Moody's investment service is threatening to lower Argentina's bond rating, a move that could provoke a new round of capital flight.

## Bolivian miners protest Vista Gold mine closure

Vista Gold mines in Capacirka and Amayapampa, Bolivia will apparently remain open after miners threatened to take over the facilities if management went ahead with its plans to close them. Two weeks ago Vista Gold sent a letter informing miners of its intent to close the mines, saying it had no money to pay customary monthly bonuses.

## Thousands of Brazilian farmers march on capital city

Last Monday, thousands of farmers on trucks, tractors and buses marched on the Brazilian capital, Brasilia, to demand debt relief. The farmers want the passage of proposed legislation to forgive 40 percent of the 25 billion reales (US\$13.9 billion) they owe. The rest would be payable in 20 years.

The coordinator of the Agricultural Federation of Rio Grande do Sul, Joao Carlos Machado, declared that protesters would remain in Brasilia indefinitely. The government of President Fernando Cardozo, which is committed to implement an IMF-backed austerity budget, has vowed to veto the legislation.

## Ecuadorian health workers strike continues

Health workers in Ecuador have been on strike for 45 days. They are demanding a contract that includes a provision for free medical care at municipal hospitals. The government is threatening to fire workers that continue the job action and put their leaders in jail. The Health Ministry has threatened to withhold the strikers' salaries. Ecuador is in the midst of a deep economic recession, with its economy expected to shrink by 7 percent this year.

## Strike wave in El Salvador

Public workers carried out a series of strikes and protests last week in San Salvador, capital of El Salvador. Fourteen unions representing public workers are demanding a wage increase. The strike was particularly solid among postal workers, who earn between \$250 and \$300 and have not had a raise in five years.

## Canadian mining company on trial in Guyana

Thousands of citizens in Guyana are participating in a legal suit against Omail Gold, a Canadian mining company, charging that

the company dumped millions of cubic meters of cyanide in the Esequibo River, the country's main water source. Even though the contamination happened four years ago, thousands still suffer from it.

Lawyers for 23,000 victims are demanding \$100 million in compensation for medical costs. When the disaster first occurred the company closed its operations. Six months later it reopened, having convinced the government of its safety. Up to today the company has not paid anyone for damages.

## Peruvian troops repress miners

Last Friday Peruvian troops took over the city of Huaraz to repress a general strike led by miners against two Canadian mining companies. Heavily armed troops took over bridges, gas stations, public buildings, and plazas. The citizens of the town responded by shutting down all services, including schools, stores and public transport.

Workers in Huaraz called the two-day strike, which was to end on Friday, to express solidarity with the miners employed by Barrick and Antamina, the mining enterprises that dominate the town. The Fujimori government claimed the troops were necessary to prevent "the excesses created by groups headed by Huaraz Mayor Waldo Rios." Fujimori was referring to an incident the day before when workers clashed with troops at a rally in one of the main squares of Huaraz where Rios was speaking against the mining companies. Striking miners set fire to tires and barricaded streets in the city.

Huaraz is in the Andes Mountains, 280 kilometers north of Lima, Peru's capital city. It has a population of 150,000.

## Chilean port workers reject pact

Last Wednesday the Chilean government and labor leaders signed an accord ending a dock strike that had paralyzed the country's main ports, but workers rejected the pact. As union negotiators were signing the agreement workers in the port of San Antonio began to throw chairs at union officials and fights erupted between dockworkers and supporters of the union bureaucracy.

The strike began on July 23 in Iquique, on Chile's north coast. It then spread to the other public ports. By August 6 the ports of Antofagasta, San Antonio and Valparaiso were shut down. The port of Arica joined the strike the following week. The economic impact of the strike was significant. At Iquique 20,000 tons of copper sat idle. In Valparaiso, fruit rotted on the docks. Valparaiso reported losses of \$40,000 a day. Antofagasta, which handles 30 percent of copper exports, is said to be suffering similar losses.

The struggle began as a strike over wages but quickly turned into a fight to defend jobs, as workers demanded the suspension of government plans to privatize the ports. Workers earn US\$20 a shift. The new accord would raise that wage to US\$25 at the

Iquique port. However, last week the Chilean government sold the rights to operate the terminals at Valparaiso, San Antonio and San Vicente to private investors for US\$294 million. It plans to also privatize the ports of Arica and Iquique.

By the end of last week, most ports were open, except for Iquique and Antofagasta, where workers remained on strike.

#### **Volkswagen settles a strike in Brazil, avoids one in Mexico**

Workers at the Resende, Brazil Volkswagen bus and truck plant settled a week-long strike last Wednesday. The 1,500 workers settled for a 5 percent increase in wages plus a one-time cost-of-living payment of 5 percent. Volkswagen also agreed to a 10.39 percent increase in starting wages. Initial wages have been set at 476 reales a month (about US\$250).

In Mexico, a last-minute agreement prevented a strike at the Puebla VW plant that manufactures the popular New Beetle. This plant, 100 kilometers east of Mexico City, is the only plant that assembles this very popular vehicle. It also assembles the original Beetle version for the domestic market.

The company has 16,000 workers in Mexico, and 12,750 will be covered by this agreement. The wage increase will be 20 percent. This increase represented a retreat by the union, which was initially demanding 40 percent. Volkswagen praised this compromise as "splitting the differences down the middle." The union general secretary, Luis Fonte, declared that the union decided to accept the settlement to avoid the cost of a strike, and because VW workers are already the highest paid autoworkers in Mexico.

In 1998, VW wages rose by 21 percent, only 2.39 points over the official inflation rate of 18.61 percent. This year's inflation is predicted at 13 percent.

The plant produces 1,470 vehicles per day, including 600 New Beetles that are exported to the US, Canada and Europe. According to official statistics, Volkswagen Mexico exported 196,641 vehicles between January and July of this year.

#### **Washington state independent truck drivers protest at ports**

Independent truck drivers in Washington state have set up picket lines at the Port of Seattle and the Port of Tacoma to protest working conditions that are driving them into bankruptcy.

Congestion and delays have cost owner-operators so much that they are making as little as \$6 or \$7 a day, with \$8.50 considered a good day. Others are forced to borrow in order to pay taxes, insurance, licenses, fuel, tires and truck payments, only to find themselves falling behind again. Once tainted by bad credit, truckers fall prey to 25 percent interest rates and can have their rigs repossessed.

Drivers are forced to line up an hour or two before the port opens. Once inside, they face delays of up to two hours loading and unloading cargo before driving to nearby distribution centers owned by Burlington Northern Santa Fe Railway or Union Pacific Railway. A driver's key to success is to make several trips a day, since they are paid by the load. But delays make this impossible. Drivers are putting in 12-hour days in an effort to make ends meet.

An official for one trucking company admitted to the *Seattle Post-Intelligencer* that "almost drivers have a pretty tough life." About half of the 1,000 Seattle owner-operators have signed up to join the Teamsters union.

Washington state drivers were inspired by independent operators in Vancouver, Canada, who have shut down the port there for the past month to demand an hourly wage to compensate for delays. Fifteen of the forty-five trucking companies there have agreed to pay wages.

#### **Talks break off at US Airways**

The International Association of Machinists (IAM) was to ask federal mediators August 23 to release the union from negotiations with US Airways. If granted, the move would trigger a 30-day cooling-off period after which a strike could be called.

The 7,000 IAM members at US Airways rejected a tentative agreement reached in July by a 75 percent margin and further voted by 81 percent to give strike authorization. The latest round of talks has broken off and no new negotiations are scheduled. Contract negotiations began in 1995.

Meanwhile, the Communications Workers of America won the right to represent 10,000 US Airways gate, ticket and reservation agents. Workers are pressing for better wages and working conditions after making concessions that allowed US Airways, the nation's sixth largest carrier, to earn record profits in recent years.

#### **Wildcat strike at Quebec Goodyear plant**

Two hundred and fifty workers stayed off the job for the day shift last week at Goodyear's Valleyfield, Quebec tire plant after the company announced the cancellation of an \$87 million expansion.

The workers, members of Local 143 of the Communications, Energy and Paperworkers Union (CEP), were particularly angered because they had made large concessions in exchange for supposed job security, when the company announced its expansion plans last spring. The shift involved in the job action was added as a condition for the expansion along with Sunday shifts. The union has claimed that the action was not illegal since it was neither a walkout nor a strike, both of which are prohibited in its contract.

A new plant just west of Montreal was to have added 400 new jobs to the current 1,500 at the Valleyfield plant. In announcing its cancellation last Thursday, the company cited increased productivity at its other facilities and indicated the possibility of obtaining products from Latin America.



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