

Workers Struggles: The Americas

18 January 2000

Economic chaos, mass protests in Ecuador

Demonstrators clashed with police on the way to the presidential palace in the capital, Quito, Monday as a day of protests got under way to demand the resignation of President Jamil Mahuad, the dissolution of Congress and the disbanding of the Supreme Court.

Tens of thousands of police and military troops deployed by the government confronted protesters in Quito, Guayaquil, Cuenca and a number of other cities. Teachers, retirees, students and peasants braved the police tear gas attacks and fought back with sticks and stones.

In the port city of Guayaquil, transport workers have been on strike for a week, with three of their union leaders arrested. Small businesses refused to open. Monday's protests followed a day of action by Ecuadorian natives and peasants on January 15 that blocked highways across the country.

In the capital of Quito, a National Parliament of the Peoples (PNP) has been meeting since last Tuesday to coordinate a national strike set to begin January 17. Petroleum and transportation workers, peasants, Indian and student organizations have pledged to participate in the indefinite stoppage.

A major political force inside the PNP is the so-called Patriotic Front, an organization established by the leaders of the trade unions and former Stalinists of the Ecuadorean Communist Party, which is openly appealing for the military to intervene against the Mahuad government. Luis Villacis, the president of the Patriotic Front, called for continued protests until Mahuad resigns and for his replacement by a Patriotic Government of National Unity, with representatives of the Catholic Church, the armed forces and "honest business leaders."

Last Thursday police invaded the Central University's campus in Quito, arresting 80 students. Most of them later showed signs of having been tortured. For Saturday's protest 30,000 police were mobilized against the protesters.

Ecuadorian President Jamil Mahuad has declared a state of emergency. He announced plans to replace Ecuador's currency, the sucre, with the US dollar. Since taking office 17 months ago, the sucre has lost 67 percent of its value. Mahuad plans to replace sucres with dollars at a rate of 25,000 to one, effectively impoverishing a large majority of the country's 12 million people.

Argentina rigidly tied its currency to the US dollar and was prevented from adjusting to the effects of the devaluation in Brazil, its major trading partner. Even though Argentina has a stronger economy than Ecuador, its foreign debt has tripled in eight years and official unemployment rose from 6 to 22 percent. An even worse catastrophe is predicted for Ecuador, with estimates saying that 70 percent of the workforce will be reduced to "subemployment" and 60 percent of the population will face near starvation. No sooner was Mahuad's decree announced than prices for basic necessities doubled and, in some cases, tripled.

The other half of Mahuad's dollar conversion plan is his labor reform proposal. The labor reform would free firms from collective bargaining, insurance and protection against layoffs. Thousands will lose their jobs while wages plummet. At the current rate of exchange, most workers earn \$37 a month.

Transit strike in Guadalajara, Mexico

On January 12, 1,977 public bus drivers struck in Guadalajara, Mexico's

second largest city. The drivers are demanding the right to compensation for on-the-job injuries and medical benefits.

A total of 460 buses were idled, affecting 350,000 daily users. Guadalajara bus service is provided by the Servicios y Transportes (S&I), a contractor, which has attempted to resolve financial difficulties by cutting drivers' pay.

The drivers, members of the Revolutionary Federation of Workers and Peasants (CROC), have already taken pay cuts. Their pay consists of 18 percent of fares collected, down from 20 percent in 1997. This system forces drivers to absorb the cost of unprofitable lines and equipment failures. Since fares were raised by 20 percent in December, S&I argues that the drivers have had a sufficient raise.

The company has refused to pay the hospital bills of workers injured in accidents, forcing CROC to launch repeated appeals to labor authorities.

Unemployed occupy oil facilities in Venezuela

About 15,000 unemployed workers took over the main refineries in Zulia, the most important oil-producing region of Venezuela, to protest against the buying and selling of jobs. The workers were seeking to prevent the elimination of government oversight committees by the Labor Ministry, which they suspect will bring back the old practice. Workers declared that the committees had been a conquest of the labor movement to create a fair means of distributing jobs.

Colombian Red Cross headquarters remains under occupation

Negotiations are continuing between the homeless victims of the civil war occupying the Red Cross building in Bogota and representatives of Colombia's Andres Pastrana government. The protesters have asked that international organizations mediate between both parties.

The protesters are demanding \$25,000 for each displaced family, an educational bond for their children, and land to settle in. So far the authorities have countered with offers of community projects to generate jobs. In addition to the 500 displaced refugees occupying the building itself, another 800 are camped outside in tents.

The homeless insist that they have nothing against the Red Cross itself. The occupation of the building is a way of exposing the callousness with which the Colombian government has dealt with this huge issue. They had arrived in Bogota about a month ago, but until the occupation were totally ignored by the authorities.

Meanwhile a steady stream of refugees from Colombia is entering southern Panama's Darien region, either walking through the swamps that separate the nations, or making the dangerous journey via the Pacific Ocean.

Popular protests in Panama

Panamanian President Mireya Moscoso is facing a wave of popular protest against big increases in public utility rates. Civic and labor organizations are threatening to strike against increases in telephone and electric service. Transit fees have also gone up. The Coordinadora Nacional de Union Sindical (CNUS) is demanding an increase in the minimum wage, currently \$500 a month.

In the western province of Chiriqui, protests have already begun against the increase in transportation services. On Friday, inhabitants of the area blocked the Interamerican Highway. The Panamanian Episcopal Conference recently declared that social conditions in Panama are

"scandalous," citing statistics that over 40 percent of the population live in poverty.

Unions in El Salvador protest privatization of social benefits

Hundreds of workers marched in San Salvador to protest the privatization of medical care and in solidarity with Social Security workers who have been on strike for over 60 days. Salvadoran President Francisco Flores declared in December that two hospitals will be contracted out to private corporations. The unions say Flores' proposal is tantamount to "the beginning of a series of privatizations." Workers, students, doctors and nurses marched along the main avenues of San Salvador and rallied in front of the presidential building.

Boeing reaches tentative agreement with engineers, tech workers

Negotiators for the Boeing Co. and its second largest union reached a tentative agreement January 13, one day before 13,000 engineers and technicians were scheduled to walk off the job in Seattle and Spokane, Washington; and Portland, Oregon.

The Society of Professional Engineering Employees in Aerospace (SPEEA) declared Boeing made "significant changes" from its last offer that called for takeaways on benefits. That offer was rejected by a 98 percent margin in a vote by the 13,000 dues paying members. In all, there are about 22,600 scientists, engineers, computer programmers, manual writers and other technical workers at Boeing.

Under the threat of a walkout, SPEEA announced that Boeing had retreated from its threat to reduce benefits and agreed to a three-year contract instead of the four-year agreement it originally sought. There is no guaranteed general wage for engineers. Instead the union obtained pools of money that can be applied to merit raises. Engineers obtained total increases of 8 percent, 4.5 percent and 4.5 percent for each year of the contract. Tech workers will receive a pool equivalent to 5.5 percent, 4.5 percent and 4.5 percent yearly with a guaranteed wage increase of 3 percent in the first year and 2 percent in the third year.

SPEEA members were incensed that they were being asked to accept concessions after the 44,000-member Machinists union won an 11 percent wage increase along with a 10 percent bonus back in August.

It is unlikely that contracts with either the Machinists union or SPEEA did anything to avert Boeing's plans to destroy jobs over the next period. Boeing cut its workforce from 238,600 in 1998 to 198,600 at the end of 1999. It expects to further slash jobs reducing the total workforce to 180,000 in 2000.

Midwest Express pilots enter 30-day cooling-off period

The National Mediation Board released Midwest Express Airlines and the Air Line Pilots Association (ALPA) from mediated talks paving the way for either a strike or lockout at the end of a 30-day cooling-off period. "It was obvious from the very first day of the January session that they had no intention of meeting the pilots' expectations," declared Captain Segundo Andrew, who chairs the Midwest Express pilots' Master Executive Council.

The talks broke down over issues involving retirement and pay compensation. If the two sides cannot come to an agreement over the next month a job action could begin on February 12. Midwest employees 311 pilots who unionized in December 1997 and have been in negotiations over the past 18 months. In September 1999 pilots voted by a 96 percent margin to strike.

Midwest Express flies routes in and out of Milwaukee's Mitchell International Airport, where it is the leading carrier. The airline also has operations in Omaha, Nebraska and Kansas City.

Courts and mediation board conflict over attempt to resolve Northwest contract struggle

A US District Judge has reversed his order on January 12 that Northwest Airlines and the union representing 11,000 flight attendants resume negotiations after receiving a letter of protest from the National Mediation Board (NMB). The NMB, which is presently in charge of mediated talks

between the two sides under the National Railway Labor Act, sent a letter to US District Judge Donovan Frank in St. Paul informing him that the US Supreme Court has ruled "courts have no business interfering" in labor disputes under NMB jurisdiction.

The conflict between the two branches of government grows out of a movement of rank-and-file flight attendants who defeated attempts by Teamsters Local 2000 to force through a tentative agreement last fall. When the Teamsters returned to the bargaining table in early December and outlined new proposals based on demands by flight attendants, Northwest declared the package would triple their costs. The NMB also opposed the new proposals and broke off talks for an indefinite period. Dissatisfaction among flight attendants, already aggravated by more than three years of fruitless talks, boiled over again and allegedly contributed to a sick-out over the year-end holidays.

Northwest has interrogated more than a dozen flight attendants who called in sick. So far no flight attendants have been fired. One, however, resigned after meeting with the company.

Northwest filed a suit before Judge Frank charging that flight attendants were taking part in a job action. The judge responded with a temporary restraining order and threatened a court injunction unless the union restrained its membership. But on January 11 Frank called upon Northwest and the Teamsters union to pick a private mediator by the end of the week or provide him with a list of acceptable mediators. He announced a target date of February 4 for a tentative agreement or, at minimum, a detailed list of contract issues that separate the two sides.

The NMB told the judge that the recess of the talks was "deliberate, and was explained to the parties as essential to allow them to reconsider and revise their proposals." In our judgment, the time necessary for that process has not yet passed."

The Teamsters union welcomed Judge Frank's call for a speedier resolution of the contract. Northwest did not comment. While the NMB opposed Frank's intervention, it also notified the Teamsters of a status conference that would be held January 25 to review contract positions. Frank ordered both sides to appraise him of the status conference's outcome so he could reassess the contract situation.

At issue is how to overcome the stubborn resistance by flight attendants to accept an inferior contract. Last summer, Northwest was hit by a pilot's strike. Previous to that, machinists and cleaners rebelled against their tentative agreement. The strong endorsement of that contract by the International Association of Machinists led to workers voting out the Machinists union and bringing in the Aircraft Mechanics Fraternal Association. A contract between Northwest and its machinists has yet to be reached.

New talks at Kaiser Aluminum

Kaiser Aluminum and the United Steelworkers of America resumed negotiations January 11 over the 15-month-old labor dispute involving 3,000 union workers at plants in Ohio, Louisiana and Washington state.

The new talks will not involve the full negotiating teams but will be attended by Kaiser CEO Raymond Milchovich. The USW is adding Bernard Kleiman, special assistant to the president, and Ron Bloom, assistant to the president, to the negotiating team that has been led by David Foster.

The USW struck Kaiser on September 30, 1998. Four months later the USW offered to return to work without an agreement, but Kaiser prevented the action by locking out its workforce.

Strike of Cape Breton miners ends with no new deal

One thousand miners who have been on a wildcat strike since January 2 began returning to work on the weekend following a vote last Friday held by their union, the United Mine Workers of America (UMWA). The miners went on strike against a deal reached between their union and the Cape Breton Development Corporation (Devco), a government-run mining company. That deal will leave the majority of miners without a job

or pension when the company is shut down at the end of the year.

The union leadership had recommended the return to work despite receiving no promise of changes to the deal in their meetings with federal Natural Resources Minister Ralph Goodale last week. The layoff package of \$111 million only provided pensions to workers over age 50, leaving the majority with only lump-sum severance packages. Miners who had occupied the offices of Devco, with some staging a hunger strike, had hoped that the meeting they had fought for with the federal minister would have yielded a better deal. Many were disgusted with the back-to-work call by the union leadership, with fewer than half participating in the vote.

More than 100 Royal Canadian Mounted Police officers were called into Cape Breton last week to escort coal shipments at the request of Nova Scotia Power, which claimed the strike was causing a shortage. The miners allowed shipments to continue after Goodale agreed to “discuss” the deal to privatize Devco. While Goodale indicated that the deal should be reviewed due to early closing of the Phalen colliery, he would not commit to any new money for the laid-off miners.

The union has said it is seeking a private buyer for the mine, and raised hopes that a second mine might be opened which would allow workers to keep their jobs long enough to qualify for pensions. The deadline for final bid submissions on the Prince mine, one of two that will be closed, has already passed.



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