Workers Struggles: The Americas

24 July 2001

National strike in Argentina

On July 19 the Argentine unions carried out a national strike against the economic policies proposed by the government of Fernando De la Rua. The 24-hour strike paralyzed Buenos Aires and other major cities. Unemployed workers blockaded major highways across northern Argentina. Supermarkets, banks, gasoline stations and restaurants were closed or barely functioned. Schools, universities and most government offices also closed. Truck drivers refused to drive, and subway and public bus service was drastically cut back. The country's largest airline canceled all flights.

Buenos Aires Province appeared especially hard hit by the strike, with better than 85 percent of the commerce in the cities of La Plata and Mar del Plata shut down. The northern provinces of Chaco, Mendoza, Formosa and Santa Fe were also virtually paralyzed.

The general strike was the sixth since President De la Rua took office in December 1999. It followed a 24-hour strike and mobilizations by government workers, whose wages will be cut by 13 percent.

The government's restructuring program is the seventh austerity plan since De la Rua took power. Debt service will take priority, and the plan requires that the state spend no more than it takes in. Both wages for government workers and retirement checks that exceed US$300 a month will be cut.

Buenos Aires Province, which contributes 40 percent of national industrial production, is already technically bankrupt and is paying its public workers in bonds rather than currency. Though unemployment has already reached 16.4 percent and poverty is chronic, the Argentine labor movement has limited its mobilizations to one- or two-day protest strikes.

Appeal to defend jailed Argentine workers

Supporters of four imprisoned leaders of an unemployed movement in Argentina are appealing for support to demand their freedom. Jose Barraza, Cesar Raineri, Carlos Gil and Ruben Darío Zárate—leaders of the Coordinating Councils of Unemployed Workers of General Mosconi and Tartagal—are being held by Salta provincial authorities on charges of sedition. On June 17 state officials carried out a violent assault on unemployed workers who were demanding jobs, leaving two dead and scores injured. Three days later troops occupied General Mosconi and arrested many of the unemployed protesters. Unemployment in the area is 65 percent, in large measure due to the closing of a refinery after the national oil company was sold to Repsol, a Spanish firm.

Mexican wage crisis

"When one compares productivity levels, unit labor costs and wages, one finds that Mexican workers are among the most productive and also among the worst paid," a recent study by the Mexican Labor University (UOM) declared.

The productivity of Mexican workers rose by an astounding 43 percent between 1993 and 1980, according to the study, mainly due to an increase in exploitation through speed-ups and the lengthening of the working day. At the same time wage increases were capped as a result of corporatist agreements between the government and Mexican unions. Average wages rose from US$1.48 to $1.80 per hour. During this same period US wages rose from $10.78 to $14.17 and those in Chile rose from $1.06 to $2.18.

The UOM study compared Mexico with 29 other industrialized and newly industrialized nations. It found that Mexico ranked twenty-eighth in wages. These wages also buy less than they did in 1993. If workers were compensated for the loss of purchasing power since the Mexican financial crisis of 1994 they would need wage increases of over 200 percent. The International Labor Organization (ILO) has noted the same trend and warned that Mexican workers are at a breaking point. It stated that any further drop in living standards would have severe social and political consequences.

Colombian union accuses Coca Cola of funding paramilitary squads

A suit brought in a Miami federal court against Coca-Cola and two of its bottling subsidiaries charges the transnational firm with using paramilitary death squads to repress and kill Colombian trade union members. The plaintiffs, the Colombian union SINALTRAINAL and a group of victims of violence, accuse the transnational firm of "using right-wing paramilitary agents to systematically intimidate, kidnap, detain and assassinate" union members.

Typical is the case of Isidro Gil, a food and beverage worker from the city of Carepa. Gil was killed in 1996 inside the Coca Cola plant where he was participating in wage negotiations with the bottler. The death squads also forced his fellow workers to disavow union affiliation for the plant. Coca Cola denies being a party to the repression and deaths, a claim that is rejected by plaintiffs. "It is inconceivable that they did not know what was going on. They control every aspect of production, down to the uniforms worn by the workers," declared one of the lawyers for the union.

Guatemalan maquiladora workers attacked

On July 18 workers at two textile plants in Villa Nueva, near Guatemala City, were attacked by a mob for trying to form a union. According to a report by the Committee for Labor Rights, the attack seemed to be orchestrated by factory managers. While supervisors looked on a gang of goons attacked and beat union organizers, forcing them to sign documents that they were quitting their jobs.

The textile firms, Choisin and Cimatextiles, make garments for the Liz Clayborne brand. The latter had hired a private monitoring firm (COVERCO) to look into conditions at the Choisin plant. So far they have done nothing to stop the repression. On July 19 company goons also roughed up COVERCO employees.

United Airlines ground workers issue overwhelming strike vote

United Airline's 30,000 unionized ground workers voted by a 99 percent margin to strike the Chicago-based carrier if current negotiations do not produce a contract. The International Association of Machinists District 141 and corporate management have been negotiating for 19 months but have not been able to resolve wage and job security issues concerning workers in a variety of classifications, including customer service, reservations, food service, retail and security as well as ramp workers.

According to the IAM, United's present offer would leave ground workers still behind their counterparts at other airlines. In addition, cafeteria workers and reservation agents face job security issues.

The talks are presently under the auspices of the National Mediation Board. This means the union could only strike after being released from talks by the federal agency and the completion of a 30-day cooling-off period. Additionally, the Bush administration has made clear it would act

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to prevent strikes in the airline industry by appointing an emergency board and delaying strike action for another 60 days.

San Francisco Bay Area transit talks resume

San Francisco Bay Area transit officials and the unions representing train operators resumed negotiations for the first time since California Governor Gray Davis imposed a 60-day cooling-off period to prevent a strike July 1. Unions are demanding a 26.5 percent wage increase over three years, while Bay Area Rapid Transit (BART) officials are holding for an 11 percent increase spread over four years.

Management has been vocal about the fact that BART workers trail only New York and New Jersey transit workers in pay, starting at $18.99 an hour and reaching $24.57 an hour. But union officials say their membership is reacting to the high and ever-increasing cost of living in the Bay Area. Workers are also incensed by BART General Manager Tom Margo's assertion that their wage proposals are unreasonable. Margo had his salary boosted from $185,343 to $203, 520 last year.

Boeing white-collar workers reject unionization by Machinists

Some 17,000 Boeing administrative and professional workers in the Seattle-area rejected unionization with the International Association of Machinists (IAM) by a lopsided 13,142 to 2,329 vote. The potential bargaining unit is extremely varied and includes clerical workers, Web designers and financial analysts.

The IAM, which represents 27,000 industrial workers at the aerospace giant, took over the unionization drive after the Society of Professional Engineering Employees in Aerospace (SPEEA) bowed out last year, citing lack of a "groundswell" for labor representation.

A year and a half ago some 17,000 technical workers, with little union exposure, made a rapid shift towards SPEEA after the company failed to offer a bonus and wage package comparable to that received by the IAM. A bitter strike ensued.

Layoffs rumored at Northwest Airlines

Some 180 machinists at Northwest Airlines' hub in Minneapolis-St. Paul report that the company has informed them that they must relocate to other corporate operating locations or face layoffs. The cutbacks come in the wake of a new industry-leading contract negotiated with the company's machinists.

Northwest management refused to confirm the report, but admits the company is discussing and implementing plans to cut costs in response to deepening economic turmoil in the airline industry, and that all departments will face cutbacks of one sort or another. Management reductions are anticipated in the coming week while flight attendants are being surveyed for voluntary leaves of absence.

Chicago union bureaucrat convicted on loan schemes

A US District Court jury in Chicago found former Laborers Union International Vice President John Serpico and two associates guilty of using control over multiple union funds to obtain personal loans. Eight banks provided 17 loans in the 12-year scheme that led to Serpico's conviction on six of seven counts of mail fraud.

In one case Serpico deposited $4 million with Capitol Bank and Trust, a small neighborhood bank that also administered $16 million in union pension funds. In return Serpico received $5 million in personal loans at favorable rates. The bank admitted the scheme, paid $800,000 in fines and its two leading officers are banned from banking. Serpico was also convicted of sharing in $330,000 of kickbacks after the union provided $6.5 million loan for a financially troubled hotel project.

Maria Busillo, who had a personal relationship with Busillo and assumed his positions in the Laborers union, was also convicted in the scheme. She used loans to purchase a $900,000 house in suburban Glenview, Illinois, whose mortgage payments exceed her gross pay, as well as a condominium on Marco Island in Florida. The 70-year-old Serpico, who is alleged to have had long ties to Mafia elements, also received appointments to the Illinois International Port District from two former governors.

BC health care workers set to defy strike ban

Eleven thousand paramedical workers may go on strike this week despite recent provincial legislation and a ruling by the Labour Relations Board (LRB) making such action illegal. The strike would include x-ray and scanner technicians, pharmacists and pathologists who are represented by the Health Sciences Association (HSA).

The newly installed Liberal government of British Columbia passed a law last month making strikes by nurses and other health care workers illegal. The Health Employers' Association (HEA) last week also applied for a cease and desist order from the LRB in anticipation of what would be deemed an illegal province-wide strike. With widespread popular support in the ongoing battles in the health care sector, the union has said the strike may go ahead regardless of the consequences.

HSA negotiators have said they are protesting the government's attempts to divide the membership with a two-tier wage offer. Employers are offering just over half the workers—those affected by staff shortages—a 14.25 percent wage increase over three years. The remainder are to get 5.5 percent. The union has already lowered its wage demands from 27 percent to 24 percent for the same period.

Some 3,000 members of the HSA will remain on the job in compliance with "essential service" requirements mandated by law. Nurses who are also affected by the government's 60-day "cooling-off" back-to-work order have indicated they will honor picket lines in the event of a strike, an action which would also be deemed illegal.

Workers at Jacuzzi Canada on strike

About 50 workers at the Mississauga plant west of Toronto went on strike last week to fight against major wage concessions being demanded by Jacuzzi, the largest manufacturer of whirlpool baths in the world. The workers, members of United Steelworkers Local 9042, make about Can$17.50 an hour. Along with pay cuts of up to $5 an hour, they are facing a loss in benefits as well as the elimination of their pension plan. In addition the company is seeking a two-tiered wage system, with new hires to start at $9 an hour. Over the past months the plant has seen a drastic cut in its workforce, which once numbered around 116.

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