

Workers Struggles: The Americas

21 August 2001

Volkswagen workers strike in Mexico

On August 18, 12,500 union workers at the Volkswagen assembly plant in the Mexican state of Puebla went on strike after negotiations broke down. The plant is located about 100 kilometers (60 miles) west of Mexico City. The strike's outcome will set the pattern for upcoming wage negotiations across the country.

Jose Luis Rodriguez, general secretary of the Independent Union of Volkswagen Workers (SITIAV), said that the union is flexible on its wage demand, which is for a 21 percent increase. With workers' daily wages at US\$30, he insisted that the union would not accept anything under a 10 percent raise.

Rodriguez said that the company had prepared well in advance of the strike, stocking about 12,000 VW Beetles, enough for two weeks of demand.

Up until now, President Vicente Fox had not confronted any major strikes since he took office, although the economic slump has caused 200,000 layoffs. He had assured voters that his government would create a million new jobs each year.

Puebla Governor Melquiades Morales warned that a long strike would have a serious economic impact across the state. In addition to the VW workers, another 100,000 workers at 80 parts plants are also affected.

Mexican paper workers block road

Paper workers from the plant at Atenquipe in the State of Jalisco, Mexico announced that they would turn to civil disobedience to force the reopening of their factory, which was closed four months ago by its owner, the Durango Industrial Group (GIDUSA).

Beginning on August 18, workers blocked a stretch of the Guadalajara-Manzanillo highway near the city of Tuxpan. The Atenquipe plant was shut down on April 26, when 1,350 workers were sacked in violation of the union contract. The union is demanding the federal government force one of three options: the reopening of the plant, the sale of the plant to its workers, or a severance plan that conforms to the collective bargaining agreement.

The Atenquipe plant was one of the main sources of employment in southern Jalisco, and its closure has depressed the region's economy.

Three-day protest in Argentina

Unemployed workers barricaded many roads in Argentina on August 14, 15 and 16 as striking teachers and state employees joined in. The three-day protest ended in a rally at the Buenos Aires Plaza de Mayo. The workers are protesting the De la Rúa government's economic policies, which include cuts in public employees' wages and retirees' pension checks.

During the past two weeks, the same groups of unemployed workers carried out similar one- and two-day protests. Striking public employees and Buenos Aires teachers also protested for three days. Many of the teachers have not been paid since July. Part of the teachers' salaries is being paid in *patacones*, or provincial bonds. In addition, public employees in many state agencies are carrying out a slowdown. In some cases they have cut their working hours by 13 percent, from 8 hours to 6 hours, 57 minutes per day. Teachers and university employees plan a national two-day strike August 21.

Argentina's unemployed number 2.3 million, 16.4 percent of the

workforce. Another 2 million are underemployed, and fully one-third of the population lives below the official poverty line.

More layoffs in Argentina

In July, 11,500 jobs were cut in the industrial cities of Buenos Aires, Cordoba and Rosario in Argentina. Together with those totals, 40,000 jobs have been lost in the last four months. The Argentine Labor Ministry expects that the layoffs will continue through the end of this year. Virtually every industry has reported layoffs of both white- and blue-collar workers.

Chilean workers demand jobs

Thousands of workers rallied in Santiago on August 16 to demand an end to high levels of unemployment. The evening rally was organized by the CUT, Chile's Central Labor Federation. CUT President Arturo Martinez addressed the workers, denouncing Congress for favoring employers and ignoring the workers. Martinez pointed out that the 13 percent unemployment rate understates actual unemployment. As a remedy, he called for a return to the policies of import substitution and national investment led by the State Bank.

Finally, Martinez called on Chilean workers to continue mobilizing and demanding greater social benefits. As the rally ended, groups of protesters set fire to barricades. Santiago police then dispersed them and put the fires out with water cannon.

Sao Paulo bus drivers strike

Despite a 10-day truce agreement with the employers, 270 employees of Cruz da Colina Transit (VCC) walked off their jobs on August 13. VCC owns four bus lines that operate in Sao Paulo. The drivers are demanding their back wages.

Last week drivers at seven bus companies walked out over the same issue, but the Transportation Department negotiated a 10-day truce with the union.

At VCC, employees were to have received meal vouchers on August 1 and their wages on August 5, both of which did not happen. In addition, the drivers want management to sign a statement promising to pay their wages on time.

While it appears that the truce is holding at the other bus companies, the truce will expire next week, which opens up the possibility of other walkouts by transit workers.

Protest against police repression in Brazil

A tow truck was burned and several buses damaged by fire as a result of a protest by inhabitants of a shantytown that closed traffic in Rio de Janeiro on August 18. The demonstrators were angry over the death of a teenager at the hands of the police last Thursday.

San Francisco sweatshop closes after being exposed

A San Francisco garment factory closed its doors after the *San Francisco Chronicle* revealed that the company had not paid its 200 immigrant workforce a minimum of \$850,000 in back pay dating to last April.

Government bureaucrats described violations at the factory, Wins of California, Inc., as "astounding" and "egregious." The workers, mostly female Chinese immigrants who cannot speak English, were under a "slow pay" system whereby paychecks would be handed out several weeks after ending pay periods. Workers were further instructed not to

cash their checks for additional weeks.

A member of the advocacy group Sweatshop Watch declared, "I've been working on sweatshop issues for 10 years, and I've never seen another case where workers had to work without pay for so long. It's just outrageous that the factory owners have been able to keep operating." Wins supplied clothes to the US Army and Air Force, Sears, Wal-Mart and Kmart.

Visa program serves as cover for cheap labor

The International Brotherhood of Electrical Workers has charged that US companies are exploiting the J-1 visa program to employ foreign workers at low wages. USA-IT, an international relocation and personnel firm, supplied companies with electricians who believed they would receive management training. Instead they were put to work digging ditches and laying pipeline.

The J-1 visa allows foreign nationals to work in the United States as long as they are enrolled in job-training programs, but none of these workers received any management training. They had been promised a \$10-an-hour training subsidy, but companies proceeded to deduct housing and transportation from wages, resulting in workers barely receiving the minimum wage. Workers who were categorized as having poor English had their wages reduced from \$10 to \$9 an hour.

The situation came to light when a Romanian electrician enrolled in the program went to the offices of the IBEW in Albuquerque, New Mexico to report the situation. He worked for the Houston firm Integrated Electrical Services. The firm hired 320 electricians from USA-IT and bragged in its newsletter that it was saving \$5 million in labor costs by using the J-1 program to hire a total of 500 foreign trainees.

The IBEW hired the Romanian along with another worker as union organizers to recruit electricians brought in by Integrated Electrical Services. When the IBEW gave 11 Ecuadorian workers tests to qualify as electricians they found their scores to be "unbelievably high."

Seven-year contract ratified at Harley-Davidson

Harley-Davidson and three unions representing 1,895 workers ratified a seven-year labor agreement April 1. The agreement parallels contract settlements throughout the labor movement, in which companies either drag out negotiations for several years or extend labor contracts past the traditional two- and three-year agreements in an effort to obtain an economic advantage and greater profitability.

The contract provides for a guaranteed annual wage increase of between 2 and 2.5 percent plus a cost-of-living component. Proclamations on the agreement by company and union officials revealed a profound level of corporatist-style labor-management collaboration.

"Union and company leaders worked hand-in-hand to reach this agreement," said Harold Scott, vice president of Human Resources for Harley-Davidson. "The hard work and commitment from all parties working toward a shared vision further demonstrates the collaborative relationship that exists with the company's represented employees throughout Wisconsin."

Bob Klebar, chairman of IAM Lodge 78 in Milwaukee, Wisconsin, declared, "Because of the strong partnership we have with Harley-Davidson, we were able to successfully represent the interests of all of our members even though each of our three local unions had different issues of concern."

John Gillard, president of PACE Local 7209 in Milwaukee, added, "Workforce security is part of the package and we believe this agreement ensures a climate for continued investment by Harley-Davidson in the business."

UAW seeks union vote at Tennessee Nissan plant

The United Auto Workers filed a petition with the National Labor Relations Board seeking to organize workers at a Nissan plant near Smyrna, Tennessee, some 12 years after the union suffered a 2-1 rejection by the plant's workforce.

The UAW claims to have obtained signatures from more than 50 percent of the plant's 4,100 workers. In 1997 the UAW achieved the 30 percent required by the NLRB, but did not proceed with a vote fearing defeat in the final ballot. The change in mood is reflected by one worker's comments to the AP about Nissan's anti-union propaganda: "I bought it for a long time, but I'm not buying it any more. I've seen too many workers injured and too many injured workers mistreated. We need a union."

While Nissan workers receive comparable wages to their counterparts at GM and Ford, health benefits lag behind. The constant drive to boost productivity has also taken its toll in terms of injuries such as carpal tunnel syndrome, a condition rampant throughout many industries.

While the UAW has been able to organize plants involving foreign companies operating in joint ventures with GM, Ford and Chrysler, it has failed to unionize those operating as wholly foreign-owned. Since the failure in 1989 to organize the Smyrna plant, foreign automakers have set up plants across the US, especially in the South.

Delta raises mechanics' wages

Delta Air Lines raised wages for its mechanics by 18.2 percent as the Aircraft Mechanics Fraternal Association (AMFA) continues its drive to obtain union recognition among the airline's 10,000 mechanics. The wage increase raises the annual wage of the highest-paid mechanics to \$71,700.

Mechanics at Delta fell from the highest in the industry in the wake of industry-leading wage increases received by Northwest Airlines mechanics negotiated by AMFA and those at American Airlines with the International Association of Machinists.

It is not clear that Delta management's move will retard AMFA's bid to represent its mechanics at the bargaining table. Delta remains the airline industry's most non-unionized entity with only pilots and two other smaller groups organized.

The Association of Flight Attendants has an ongoing drive to organize the airline's 20,000 flight attendants.

Cost-cutting at US Airways

US Airways has announced plans to salvage its financial position by reorganizing its fleet to save money in the wake of a failed merger with United Air Lines. The company cites its 20 percent higher operating costs in relation to the other major carriers. US Airways plans to add smaller regional jets to its fleet that seat 50 to 69 passengers in place of the larger aircraft that carry 100 or more passengers.

The first phase of the plan would expand the fleet of smaller jets from the present 70 to 130; the second phase would up the total to 350. The airline estimates it will save the company 25 percent, part of which will be achieved by reducing pilots' wages. It is common practice in the airline industry for companies to pay pilots flying regional jets less than those who fly for the larger carriers.

"If they are planning to replace mainline aircraft with small jets this management is on the path to declaring war," said Chris Beebe, chairman of the Air Line Pilots Association at US Airways. Already, US Airways has threatened to liquidate the 42-airplane fleet at its low-fare MetroJet division if its workers refuse to accept cost-cutting measures.

Winnipeg tractor company pays to get rid of union

The union representing 235 locked-out workers at Buhler Versatile Inc. has agreed to accept payment of around \$17.5 million to withdraw from its tractor factory in Winnipeg, Manitoba and leave it as a non-unionized workplace. The workers have been either on strike or lock-out since last November, during which time replacement workers were brought in amidst threats that the company would shut down the factory and move to the US.

The extraordinary deal was hailed as a victory by the Canadian Auto Workers (CAW), which represents workers in the dispute, including 300 others who have remained on layoff. Craig Engel, president of Buhler Industries, disagreed however, saying, "I don't know how they can call it

a victory.... I think the company and the union and the members all lost.” The deal was struck barely two months after the company was found guilty of bargaining in bad faith by the Manitoba Labour Relations board and ordered to pay \$6 million to the workers. Since that setback, the company reduced its contract offer and threatened to close the factory and move to North Dakota.

Under the terms of the arrangement, workers will receive about \$33,000 in back pay and up to \$20,000 in severance pay for the most senior workers. While it is expected that some of the workers may find future employment at the factory, they will give up the right to a union contract. The company has said it will continue to use management staff and replacement workers to produce tractors at the Winnipeg plant.

City workers strike ends in London

After 29 days on strike, outside civic employees in this southern Ontario city voted to accept a three-year contract, with both sides in the dispute claiming victory. The total cost of the deal to the city, however, will be less than three previous offers rejected by the union .

The strike by more than 700 outside workers in London represented by the Canadian Union of Public Employees (CUPE) included both full- and part-time garbage collectors, sewage, maintenance and recreational staff. CUPE is Canada’s largest union, representing half a million workers, including 180,000 in Ontario.

While the wage settlement of 3.18 percent a year in the three-year deal falls well below the 4.5 percent the union was seeking, CUPE negotiators cited improvements in benefits as the most important gain in the contract. Deputy city manager Jeff Malpass decried the union’s claim to victory, saying “They settled for below what we had offered to them prior to the strike and during the mediation.... They got the deal they were looking for and we got the cost-containment we were looking for.”

Settlement in New Brunswick nursing home strike

The strike at 35 nursing homes in this maritime province lasted only two days before a deal was reached between CUPE negotiators, employers and the provincial government. Reports indicate, however, that the key issue of workloads was not addressed in the settlement, being shunted off for government study.

While workers at three locations did not accept the contract until mid-week, the majority who began their strike on Sunday were back at work by Tuesday morning. Although no details have yet been released, union negotiators claim that progress was made on all key issues.

Federal workers begin one-day strike campaign

Calling it “Workless Wednesday,” the Public Service Alliance of Canada (PSAC) held their first one-day strike last week in the first of three to take place over three consecutive weeks. Involving as many as 40,000 workers, the strikes are intended to pressure the government into reaching a settlement in contract talks which have been ongoing for over a year.

The actions amount to little more than protests, since they are more or less voluntary and those who cross the picket lines aren’t disciplined by the union. PSAC, which represents 77,000 workers across the country, says they have been without a contract for over a year and that if a deal is not reached soon they may consider a full-blown strike in the fall.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact