

# Workers Struggles: The Americas

4 September 2001

## Mexican VW workers continue strike

There is still no settlement in the two-week-old strike between Volkswagen and its 12,500 workers at VW's plant in Puebla, Mexico. Negotiations continued all day September 2 with Labor Secretary Carlos Abascal in attendance. At a press conference, the president of the Independent Union of VW workers (SITVW), Jose Luis Rodriguez said that VW failed to present proposals that were significantly different from the 10.2 raise that the workers overwhelmingly rejected last week.

Rodriguez suggested that management may be waiting for the walkout to run out of steam and for the exhausted workers to come back on their own. The union has climbed down from its original demand of 19 percent raises and Rodriguez has called on Mexican President Vincent Fox to intervene to end the strike.

The Puebla plant is the only one that produces the New Beetle model, which is exported to Europe and the US. It also produces Jettas, Golfs, Cabrios, and the classic Beetle. The two-week strike has cost VW the production of 15,000 cars and 20,000 motors.

## Layoffs accelerate in Mexico

The National Workers Union (UNT) says that unemployment in Mexico is approaching the levels reached during the so-called Tequila crisis in 1995. According to one estimate, ten jobs have been destroyed for each job that was created since last December.

The first wave of job losses began in January 2000, when 231,000 workers were laid off. Four months later the number of jobless went up by 400,000 due largely to auto industry cutbacks. Chrysler plants were shut down and there were layoffs at Volkswagen, DINA, Ford, and General Motors. In the maquiladora sector, layoffs are occurring daily. This year in the border state of Chihuahua alone, 64,000 workers lost their jobs.

Every year jobs must be found for 1.1 million workers in Mexico. During the elections, current President Vincente Fox had promised to create 1.35 million jobs a year. However, even his own federal bureaucracy eliminated 40,000 jobs this year.

## Argentine workers repudiate economic adjustment

On August 29 a massive march and rally converged on Plaza de Mayo in Buenos Aires, across the street from Argentine President Fernando De la Rúa's offices in the Rose House. More than 100,000 workers, retirees and unemployed from virtually every province participated to protest the zero fiscal deficit policy that includes cuts in state services, wages and retirement checks.

The demonstration began at noon with columns of workers and unemployed marching down the streets, beating drums and chanting slogans against De la Rúa and Economics Minister Domingo Cavallo.

The official and dissident wings of the General Workers Confederation (CGT) organized the giant rally. Under the zero deficit policy, the government pledged to spend only what it takes in taxes every month. If there is a shortfall in tax receipts, foreign creditors are paid in full, while wages and services are cut. In July wages were cut

by 13 percent for public employees and retirees earning more than \$500 a month. Unless the economy revives and tax receipts increase, some analysts believe that wage cuts may be as high as 24 percent by December.

## Coffee pickers march in Nicaragua

About 500 famished coffee pickers marched on Nicaragua's capital Managua on August 28 to demand food and jobs. Some of the marchers had not eaten in two weeks, and many brought their children along.

A triple blow has hit the country's rural proletariat and peasantry. In addition to a drought that harmed grain production along its northern border and floods that damaged crops along its Caribbean coast, a credit collapse in the coffee industry has led to farm closures and a mass expulsion of coffee pickers from their homes.

President Arnoldo Aleman's government has downplayed the famine's impact, accusing the pickers of being politically manipulated by the Sandinista opposition. In July, it began doling out community jobs that employ 800 families, but the pickers insist that this program is insufficient and deceptive.

## Peru's unions denounce discriminatory wage offers

The General Workers Confederation of Peru (CGTP) considers proposed wage increases of nine percent for teachers and government doctors and 70 percent for judges to be discriminatory. President Alejandro Toledo announced the raises on August 29.

Teachers earn about \$170 a month, and public doctors earn \$580. In contrast, the nation's judges earn between \$1,000 and \$3,700. Toledo defended the wage package for judges, saying that the proposal was "decisive" in strengthening the courts and encouraging foreign investment. During the election campaign, Toledo had promised to double teachers' and doctors' wages.

CGTP President Jose Gorrity pointed out that the increase for teachers does not even put them above the poverty line. To survive in Peru, a poor family needs a minimum of \$US500.

Also last week, construction workers, who earn \$US250 monthly, announced that they will carry out national protests if their wages are not increased to meet inflation by the end of September.

## Thousands rally against unemployment in Chile

A column of unemployed workers reached Santiago, Chile's capital, after covering the length of the nation on foot from the north and south. Four thousand workers rallied in front of the offices of the Unitary Workers Central (CUT) to protest unemployment. Police water cannons attacked a contingent of workers on the way to the rally and two workers were arrested. No other incidents were reported.

CUT President Arturo Martinez commended the unemployed marchers as an example for those that "still have a job" but offered no solutions to their plight. He called on them to form committees of unemployed workers to serve as auxiliaries during negotiations.

## Chilean health workers protest

Thousands of health workers marched and rallied across Chile to

press for their demands for a 25 percent wage increase. The workers belong to the National Confederation of Municipal Health Workers (CNFSM). Union President Esteban Maturana spoke to the rally, noting that Chilean President Lagos had praised the municipal health workers but that “We want a concrete recognition and an increase in wages. After that, municipal health clinics will return to normal.”

Health Minister Michelle Bachelet declared that there was no reason for the protests since the government was already studying the situation and did not need to be pressured. The nation’s mayors were responsible for health workers’ wages, she added.

#### **Minnesota state workers reject contract proposal**

Some 19,000 Minnesota state employees voted by more than a 90 percent margin to strike unless state negotiators improve their pay and benefit offer. The rejected two-year contract contained pay increases of 2.5 percent annually. The American Federation of State, County and Municipal Employees (AFSCME) Council 6 is asking for 6.5 percent per year increase, plus additional spending on insurance.

Minnesota Governor Jesse Ventura declared, “In light of the economy, I think we’ve made them a very, very fair offer.” Ventura has been preparing the National Guard to serve as a strikebreaking force to fill positions in state nursing homes, treatment centers and mental hospitals in the event of a walkout. Negotiations are expected to resume in advance of the September 17 strike deadline. Ultimately, AFSCME’s 35-member council will decide whether workers walk out.

Meanwhile, the 10,500-member Minnesota Association of Professional Employees (MAPE) is also deadlocked in talks over wages. AFSCME and MAPE together represent 60,000 Minnesota state workers.

#### **Flight attendants’ union seeks organizing vote at Delta**

The Association of Flight Attendants (AFA) petitioned the National Mediation Board August 29 to hold an election among Delta Air Lines’ 22,000 flight attendants. Delta, the nation’s third largest carrier, has only one other major union on its premises—the Air Line Pilots Association.

Last year, the Transport Workers Union failed in its attempt to organize Delta’s ground workers. But recent gains by pilots at Delta and it’s subsidiary, Comair, along with the economic turmoil in the airline industry may induce a majority of flight attendants to vote to unionize. Already AFA has the required 35 percent of signature cards from the airline’s flight attendants that allows it to move forward in its request for a unionization vote.

#### **Steelworkers ratify concessions at LTV**

Members of the United Steelworkers (USW) at LTV Corporation ratified a concessionary contract to help bail out the bankrupt steel maker. The vote was 4,010 to 471 to accept the proposal with less than half of the 9,000-member LTV workforce voting.

LTV has been under Chapter 11 bankruptcy protection since December 2000. Originally LTV’s creditors asked for 500 layoffs and changes in pensions and benefits. However, the USW upped the number of workers to be axed to 1,300, protected pension funds and got a deal where they will have 20 percent ownership in the company when it finally emerges from bankruptcy. LTV will pay current health care costs for steelworkers by borrowing some \$140 million from a fund that the USW set up in the event LTV went bankrupt.

#### **Northern California grocers and unions head toward stalemate**

Safeway and Albertson’s grocery stores in northern California have begun advertising for replacement workers as negotiations between the supermarket chains and unions representing some 22,000 workers

are at an impasse.

The unions are seeking a \$1 an hour wage increase along with improvements in pension and health benefits. Safeway is proposing a 50-cent increase, modeled on an agreement that one United Food Commercial Workers local recently negotiated with a smaller competitor.

#### **Mine workers poisoned in British Columbia**

As many as 65 unionized workers at the Teck Cominco smelter in Trail, British Columbia may have been exposed to thallium in a potentially lethal compound. More than half were brought to Vancouver last week for extensive medical examination and several others have already been hospitalized for thallium poisoning.

It was recently revealed that the Canadian based mining company, Teck Cominco, knew of the contamination at least a month before workers began to fall ill, but no action was taken. Although the smelting operation has since been closed, the company has claimed it does not know why workers were not warned in advance.

Thallium was used as a rat poison until it was banned about 20 years ago and is a bi-product of the lead smelting process. It is a rare metallic element which can cause serious nerve damage, kidney damage, blindness and even death. The B.C. and Yukon Territory Building and Construction Trades Council has asked the Attorney-General to conduct a public inquiry, but the company says it is undertaking it’s own internal investigation.

#### **Federal workers stage final protest action**

The third of three one-day strike actions, dubbed ‘workless Wednesday,’ was held last week and over 30,000 federal civil servants across Canada turned out to protest stalled contract talks with the Treasury Board and other government employers. The actions, which have had minimal impact, were called by the Public Service Alliance of Canada (PSAC), which represents the workers, in hopes of avoiding a general strike.

In addition to wages, outstanding issues include vacation leave and understaffing. The government is offering increases of just over 2.5 percent a year on average during a three-year contract. The union is asking for five percent and has cited a conciliation board recommendation for a 9.5 percent increase over the term of the agreement. As of September 1, over 50,000 federal workers are in a legal strike position. Another 14,000 are deemed to be in essential services. The workers have been without a contract since June 2000.

Previous protests have been marked by confrontations with police. The latest actions included the occupation of a federal office in Halifax, Nova Scotia by over 100 workers. While PSAC president, Nycole Turmel has said that a general strike may be called this month the union has made it clear that they want to avoid an all out confrontation with the government.



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