

Workers Struggles: The Americas

16 July 2002

Brazilian auto strike

Workers at the General Motors plant in Gravatai, near Porto Alegre in the state of Rio Grande do Sul, carried out a five-day strike July 4-9 to demand a 10 percent wage increase and profit sharing programs comparable to GM's two other Brazilian assembly plants. The work stoppage involved some 1,700 GM workers, who are represented by the Metalworkers Union of Greater Porto Alegre (SMGPA).

The Gravatai assembly plant is part of a complex of 17 parts plants that employ 3,000 workers. The strike has shut down the entire complex. Management, claiming that the strike came as a surprise, refused to negotiate with the workers as long as the strike persisted and went to court to force the plant to reopen. Under those conditions SMGPA leaders ended the strike.

GM employs 18,000 workers in Gravatai at two other assembly plants and several parts plants and distribution centers. It laid off 105 workers in June. In response to a 17 percent drop in sales compared to this time last year, the company decided to close its two other assembly plants (both near Sao Paulo) for 12 days, between July 29 and August 9. Both were closed for 10 days in June. Other auto companies cutting back on production include Fiat and Ford.

Brazilian budget auditors strike

Federal budget auditors went on strike July 12. According to the National Union of Federal Budget Auditors (UNAFISCO), strikes will take place every Thursday in July. In August they will begin an indefinite strike. They have been on strike since April 9 but decided on this July truce because Congress is in recess. The issue involves changes in legislation that affect their working conditions.

Peasant protest in Mexico

Massive protests have taken place throughout the week in San Salvador Atenco (30 kilometers from Mexico City), where inhabitants are opposing the appropriation of their common lands for the purpose of building an airport. The demonstrators have blocked roads and taken about 20 public employees and police hostage to protest what they consider inadequate compensation from the government.

Argentine and Brazilian soccer teams threaten to strike

Two weeks into the season, soccer players are threatening to strike in Argentina to protest nonpayment of wages at 47 of the 63 professional teams, including 14 of the 20 first division teams.

Players for the prestigious River Plate team threatened not to travel to the United States for a series of exhibition games until management promised to pay the players with the proceeds from the tour.

In Brazil, player strikes may take place against the Fluminense and Botafogo teams. Fluminense players, who are owed three months pay, refused to show up for practice—as a warning strike—on July 12 to signal their discontent. The players are owed 4 million reales (about US\$1.5 million).

On July 12, Botafogo players threatened not to travel with their team to Europe for the same reason. However, management was on the verge of canceling the tour anyway due to lack of funds.

Government deficits delay wages in Paraguay

In response to the most serious government deficit in recent times, the Paraguayan government is delaying the payment of wages. Public employees are now threatening to go on strike as the government has announced that only 50 percent of the employees will receive their June wages. Among the workers affected are doctors, nurses and other professionals who work for the Ministry of Public Health. The unions representing them say they are discussing a protest strike to demand payment.

Last Las Vegas Casino contract concluded

Workers at the downtown Las Vegas Golden Gate Casino ended their eight-day strike July 9 after ratifying a tentative agreement. The contract was the last of the 35 agreements between the Culinary Union and casinos located in both downtown Las Vegas and the strip area.

The downtown casinos took a harder line against the union and extracted cheaper contracts than those on the strip. Strip gambling houses settled for a total package of \$3.24 an hour, of which \$1.24 an hour will go to wages and the remaining \$2.00 will be applied to the union-controlled health care fund. The downtown casinos agreed to package of \$2.20 an hour with the labor bureaucracy obtaining the contractual right to decide on how to apportion the amount towards wages and the health care fund over the course of the five-year agreement.

The Golden Gate agreement was ratified by a 118-0 vote, with 57 workers not casting ballots. It calls for a \$2-an-hour package that will be applied towards the health care fund. Because the contract is 20 cents an hour less than other downtown contracts, the union negotiated a proviso that Golden Gate would have to pay an extra 20 cents an hour towards the health care fund should the fund require bolstering.

Unless the bureaucracy should decide otherwise, it is possible that casino workers will go without a wage increase over the course of the five-year agreement. The only additional money will come in the form of a lump-sum bonus to be paid in December of 2004. This money was actually supposed to be paid out as a 40-cent wage increase in December 2001 but the company refused, alleging financial hardship.

UPS losing business as Teamsters talks drag on

Press reports reveal that UPS customers are quietly transferring their package delivery business to rivals FedEx and Airborne out of fears of a possible strike by the 230,000 Teamsters members. Some analysts discount a strike because the 2002 negotiations are not dealing with the issue of Teamsters control of the pension funds as in the 1997 strike.

For the Teamsters leadership of James Hoffa, however, the negotiations are critical because one out of seven Teamsters members work for UPS and an openly pro-company contract would further undermine his credibility. The union is already being challenged by a craft union for its control of the 11,000-member Teamster unit of flight attendants at Northwest Airlines.

Machinists union rejects pay cut

The International Association of Machinists (IAM) has rejected United Airlines' call for a 10 percent pay cut to aid the number two-ranked carrier in obtaining a \$1.8 billion federal loan guarantee. The IAM had offered to defer \$498 million in retroactive pay, but this appears to fall short of management's aims and the stipulations that Congress placed on loan conditions. The government demanded, in essence, that workers should pay for the underwriting of the loans.

The Association of Flight Attendants broke off negotiations for a pay cut given that their membership already lags behind other major carriers in wages and benefits. In the case of the IAM, however, much of the bureaucracy would like to come to an agreement on concessions. At this point only the Air Line Pilots Association, representing 9,200 pilots, has reached a pay-cut deal, estimated to be worth \$520 million over three years. The deadline for loan applications was June 28.

Telephone union president lauds new Qwest CEO

Communications Workers of America President Morton Bahr hailed the new Qwest Communications CEO Richard Notebaert as "one of the best in the business" and appealed to banks to "give this leadership team a chance to turn the company around." Qwest, the former Bell telecommunications unit that now represents parts of the Midwest and Western states, has seen its stock plunge to \$1.93 and just announced it would restate its earnings for last year to exclude \$1 billion in revenues that have drawn official scrutiny.

As wider layers of the population have more and more seen executives exposed as ruthless agents of capital, Bahr declared, "Wall Street, along with Qwest's customers and business partners, can have full confidence in Dick Notebaert's commitment to setting the highest ethical standards and in his experience and executive ability." Notebaert previously headed Ameritech, now part of SBC, for several years.

Workers strike Connecticut auto parts plant

Workers at Fenn Manufacturing, a Connecticut auto parts plant, walked out on strike July 9 after rejecting the company's last contract offer. The three-year tentative agreement called for 3 percent annual raises, annual bonuses up to 10 percent, a 20 percent increase in pension benefits and a \$500 signing bonus.

Workers were most opposed to a plan by Fenn to weaken job classifications. The company, recently acquired by SPX Corporation, is seeking to lower costs by having greater flexibility in assigning work and streamlining production through downsizing. The 117 strikers are represented by the International Union of Electronic Workers and Communications Workers of America Local 81266.

Illinois county workers call one-day strike

Between 3,000 and 4,000 Cook County workers in the Chicago area carried out a one-day strike July 11 to protest wage and health care issues that are being discussed in negotiations between the county and the American Federation of State, County and Municipal Employees (AFSCME).

The county is presently offering an 8.5 percent wage increase to the employees, which include public defenders, workers in the clerk's and medical examiners offices. In particular, the county is seeking to increase the burden of health care costs for workers. Health care costs have risen by 13 percent annually. One worker told the *Chicago Sun-Times*, "We're going to shut it down. We don't want that piddly money they are offering us." An AFSCME spokesman made clear, however, the union leadership was not looking to call an extended strike. "We aren't going out for the duration right now," he said.

Settlement in Navistar strike

The Canadian Auto Workers and Navistar reached a tentative settlement July 14 to end the six-week strike at the company's International Truck and Engine plant in Chatham, Ontario. The deal was struck after CAW head Buzz Hargrove met with top company officials July 13 in Detroit, resuming talks for the first time since June 14, when a professional strikebreaker employed by the company struck several picketers with a van near the Chatham plant. One of the injured workers, Don Milner, remains in the hospital in critical condition.

Concerned with the possibility of further picket line violence and a militant reaction by auto workers throughout Ontario, key political and business leaders, including executives from Ford Motor Company, urged Navistar to forestall their attempt to violently break the strike. Instead they advised Navistar officials to rely on the CAW bureaucracy to achieve the bulk of the company's demands.

Six hundred members of CAW Local 127 walked out June 1 to oppose demands for a wage cut of up to \$10 an hour and the establishment of a compulsory 56-hour workweek. Making use of the Tory government's 1995 law abolishing restrictions on the use of strikebreakers, the company unsuccessfully attempted to bring scabs into the plant—the first time this had been tried at a major auto-related factory in Canada in half a century.

A ratification vote was scheduled for Monday. No details of the pact have been made public.

Walkout looms at Toronto hotels

Thousands of hotel workers who have been in legal strike position for weeks are watching the outcome of a contract vote held over the weekend at the prestigious Fairmont Royal York Hotel in the city center. Some 1,600 workers at three other major downtown hotels are also in negotiations and have been in a strike position since the end of May.

In total, over 10,000 unionized hotel workers represented by the Hotel Employees Restaurant Employees Union (HERE) in the Toronto area are now without a contract, but the union leadership has postponed any strike action while talks are ongoing. While the union has said the latest offer for workers at the Royal York is a significant improvement, it still does not meet their expectations.

A strike in the hotel industry could be devastating to the already crippled municipal government following the recently concluded strike by city workers who were ordered back to work by the provincial Tory government. Its impact would be heightened if it coincides with the papal visit and World Youth Day scheduled for next week.



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