

# Workers Struggles: The Americas

27 August 2002

## Chilean workers denounce Lagos government, IMF

On August 21, 5,000 workers marched in Santiago to protest the government's economic policies, which have increased economic disparities.

Arturo Martinez, president of Chile's Central Labor Federation, demanded that the government implement 12 measures to end conditions that only benefit employers and powerful economic interests at the expense of workers. The measures include protecting workers, a commitment for full employment, the right to a decent education and to health benefits that are free to all Chileans and a stronger system of regulations on big business; continuation of ongoing trials over human rights violations; and constitutional reforms to make the state more democratic.

Martinez blamed the government and big business for the critical situation that workers are facing. He called for workers to "reject management attacks on the rights of working men and women." He also denounced the role the International Monetary Fund is playing in Latin America. He accused the IMF of creating the South American crisis, and the Argentine crisis in particular.

The mobilization also opposed government schemes that would extend the youth minimum wage of 83,300 pesos to all persons until they reach 24 years of age.

## Thousands march against the Battle government in Uruguay

On Sunday, thousands of Uruguayan workers and students marked that country's independence day by marching to protest the government's austerity budget that is throwing the country into a deeper slump. The country is in the third year of recession.

The demonstrators also denounced plans to close three banks, the result of the current liquidity crisis and the calls for more money from the International Monetary Fund.

Uruguay has 3.2 million people and its economy is intimately linked to those of Brazil and Argentina. It is suffering from its most serious economic crisis in its history. The economic slump deepened after the Argentina financial collapse of December 2001.

The recession has resulted in unprecedented levels of unemployment and a dramatic increase in poverty.

## Sao Paulo teachers protest

On August 21, teachers marched in downtown Sao Paulo in a massive repudiation of an inadequate 2 percent wage increase granted by Mayor Marta Suplucy of the Workers Party (PT). The 2.5-kilometer march involved 80 busloads (about 4,000 teachers), members of the Union of Professional Educators of Sao Paulo (SIMPEEM), and by the Municipal Teachers and Education Workers of Sao Paulo (APROFEM).

The teachers carried signs opposing the mayor. In addition to the 2 percent, Suplucy granted 2.6 percent increases for 2003 and 2004. SIMPEEM is demanding an immediate 8.16 percent as part of a plan to make up a 62 percent loss in purchasing power since 1994.

As part of the wage package, Mayor Suplucy is demanding concessions from the teachers, namely an end to the policy that increases teachers' pay according to seniority. Union leaders threatened an immediate and indefinite strike if that were to happen. The strike would involve 43,000 teachers in Sao Paulo.

A spokesperson for the PT-controlled municipal assembly claims that the 2 percent increase is as much as the city can afford and will not be modified.

## Brazilian Mercedes-Benz workers fight layoffs

Workers at the Chrysler-Benz plant in Sao Bernardo do Campo mobilized on August 21 against the dismissal of 628 workers. The protest involved a partial strike by some 150 workers at the plant. In addition to the layoffs, the workers also reject a "Competitiveness Plan," that blackmails workers into accepting work-rule changes as an alternative to layoffs. The protest paralyzed the plant for two hours.

The protest began in the wake of layoffs announced by the company, which are to begin September 1. The ABC Metalworkers Union strategy is to have different departments stop work for a few hours each day at random intervals. The protests would lead up to an eventual strike. Strike action is to be voted on at a workers assembly this week.

The layoffs involve workers at two assembly plants, the truck and bus plant at Sao Bernardo and an auto plant in Campinas, near Sao Paulo. Last Wednesday, 300 layoff notices had been issued for Sao Bernardo. Another 96 workers are subject to dismissal in Campina.

A compromise deal worked out by the Brazilian Labor Federation (CUT) and Mercedes management involves the establishment of a "program of voluntary dismissals" (PDV) in exchange for a guarantee that no further job cuts would take place until 2004. Management is studying the proposal.

## Buenos Aires hippodrome strike

No horse races took place at the Palermo hippodrome in the City of Buenos Aires on August 24 and 25. The union of Palermo and San Isidro race track workers is demanding the rescinding of a 20 percent wage cut imposed earlier this year on employees. At the San Isidro track in Buenos Aires province, a compromise solution involving the installation of electronic gambling machines was worked out. Such machines are not allowed within the Buenos Aires city limits. However, workers there are still suffering from the wage cut. The union erected a tent in front of the offices of the National Lottery in Buenos Aires to press for the installation of the gambling machines.

Union leader Miguel Angel Quiroga rejected the criticism that he was carrying out management's agenda by fighting for the gambling machines. "They [management] fight for improvements. I don't care about that. We fight to solidify our jobs; we demand restitution of the 20 percent wage cut and an improvement in benefits," said Quiroga.

## Farm workers rally in California

Thousands of California farm workers and their supporters arrived at the Capital in Sacramento over the weekend to lobby Governor Grey Davis to sign a binding arbitration bill put forward by Senate Democratic leader John Burton.

The rationale for the bill is that the powerful growers faction is able to use present labor law and lawyers to frustrate the successful negotiations of contracts. The growers are adamantly opposed to the legislation and have been using their money and influence to exert pressure as well.

The United Farm Workers (UFW) has seen its membership dwindle from a one-time high of 100,000 to 27,000 today. There are an estimated 600,000 to 1 million farm workers in California. These workers are among

some of the most exploited workers in the US. Nearly 75 percent earn less than \$10,000 a year and 90 percent lack health insurance.

A decade-long campaign during the 1990s to unionize the state's 20,000 strawberry workers resulted in only one contract, covering 800 workers. The UFW has secured union representation in 428 elections but has been able to win only 185 contracts. After achieving union status, some locals have gone for more than two decades without obtaining a labor agreement.

While the political and economic power of the growers has been a chief reason for the inability of farm workers to advance their interests, the accommodation of the AFL-CIO to the needs of the food industry for cheap labor has been a major factor.

#### **Machinists union denounces Boeing contract offer**

The International Association of Machinists (IAM) denounced Boeing's contract offer last week, declaring the pension and work rule proposals were designed to provoke a strike by the 25,000-member bargaining unit at company facilities in Seattle, Portland and Wichita.

IAM chief negotiator Dick Schneider told the AP, "Boeing is proposing takeaways in every important area of the contract, job security, pensions and health care. These proposals are certain to anger our members and trigger a strike, and Boeing knows it."

The issues of pensions and job security are paramount in the negotiations. The average age of a Boeing machinist is 47 years old. Since September 11, the company has laid off close to 30,000 workers. But the reduction of the company's workforce has been a long-planned goal. Average yearly pay for machinists is \$50,000 and the company has been continually moving production to outside contractors. When bargaining opened the company publicly said that workers laid off in the past year would not be rehired and that the union was "aligned and attuned" to that fact.

The contract with the IAM expires on September 1. Union members are expected to vote August 29.

#### **Workers to pay for US Airways bankruptcy**

US Airways CEO David Siegel announced that his airline, mired in Chapter 11 bankruptcy, will cut 13 percent of its flights and lay off an unspecified number of workers as it continues to restructure at the expense of its employees.

US Airways expects to fall short of its target to obtain a necessary \$950 million in concessions from its labor unions in order to obtain federal loan guarantees.

The Air Line Pilots Association has proposed \$465 million in concessions and the Association of Flight Attendants has offered \$76 million during each year of a six-and-a-half-year contract. The company has still not reached agreement with the International Association of Machinists and the Communication Workers of America (CWA), who represent 6,630 mechanics and 5,360 fleet service workers respectively.

Nevertheless, the company believes it will only be able to extract about \$800 million to \$850 million in total concessions, short of the \$950 million mark. The airline hopes to make up the difference by obtaining an additional \$100 million to \$150 million from companies leasing aircraft to US Airways.

The IAM has put its proposal for concessions up to a vote by its rank and file through a mail ballot, due August 28, and is not making a recommendation whether to accept or reject the issue.

Rose Mary Nickerson, president of CWA Local 1171, is not opposed to bailing out the airlines at the expense of the workers. She told the *Boston Globe* that "the union wants to participate in concessions, but we want to do it in a fair way. We are the lowest group on the totem pole, with about 7 percent of the company's wages."

#### **Kmart uses police arrests to harass union members**

Kmart, the giant national retailer, has been calling in the police to arrest Teamsters activists at its distribution center in Manteno, Illinois.

On August 15, managers had police arrest eight members of Teamsters Local 705. The following day management arrested five of the eight a second time, while two other union members were also arrested. One female shop steward was injured and required hospitalization.

The arrests come on the heels of a management drive to decertify the union. The present three-year contract between Kmart and the Teamsters is due to expire in September.

#### **University of California lecturers and clerical workers set to strike**

Some 4,500 lecturers and clerical workers at the University of California's system of campuses have voted to go on strike. Kevin Roddy, UC Davis lecturer and president of the UC Council of the American Federation of Teachers, told the Associated Press, "The administration will have to show us that they are willing to engage in serious bargaining" if a walkout is to be averted.

Lecturers charge they teach 46 percent of the classes but comprise a mere 11 percent of the faculty and receive compensation less than half of what tenured professors make. Lecturers make about \$35,000 a year while a tenured professor earns an average \$80,000. Lecturers also oppose the university's policy of requiring them to reapply for their jobs every year, and in some cases, every semester.

Clerical workers are expected to walk off the job at the beginning of the week and lecturers will follow when classes open at Berkeley this week.

#### **Overtime provokes tension at Northwest Airlines**

Teamsters Local 2000, which represents flight attendants at Northwest Airlines, has asked the company to rehire some of the 310 furloughed flight attendants instead of using overtime.

According to the union contract it is legal for Teamsters members to work the overtime. But the issue has caused resentment in the ranks of flight attendants. A Teamsters trustee said, "We discourage our people from flying it, but legally they can."

The flight attendants' unit at Northwest has been roiled by a series of events since the last contract negotiations. Workers repeatedly rejected what they considered to be sellout agreements by the Teamsters. Oppositionists were arrested and fired for encouraging a sickout. Most recently a group of rank-and-file flight attendants have embarked on a campaign to decertify the Teamsters and establish an independent union. Teamsters President James Hoffa then removed local President Danny Campbell for not vigorously opposing the challenge.

Northwest mechanics have also been provoked by the overtime issue. The contract between the company and the Aircraft Mechanics Fraternal Association also permits workers to volunteer for overtime while other members are on layoff. Rank-and-file workers reacted strongly against those who have agreed to work overtime. As a result, 27 mechanics were charged with violating the union constitution by working overtime. A five-member panel of rank-and-file mechanics ruled that the union constitution was too vague to take concrete action.

#### **DC auditing firm partner pleads guilty to cover-up of union embezzlement**

Frank Massey, a partner in the Washington DC offices of accounting firm Thomas Havey LLP, pled guilty to helping the Ironworkers union conceal \$1.5 million in entertainment and dining expenses on annual disclosure reports to the Labor Department.

Massey pleaded guilty to one felony account of aiding a conspiracy to defraud the government and union members and making false statements. Sentencing could be as high as five years imprisonment and a fine of up to \$250,000. So far, Massey has agreed to pay a \$30,000 fine and \$5,000 to Labor Department within a 30-day period. He also agreed to cooperate with the overall investigation of embezzlement and fraud of the 140,000 member International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers union.

Among the items Massey hid were expenses for golf, alcohol and other entertainment at restaurants and country clubs by attempting to pass them

off as educational and publicity costs or office and administrative expenses.

After Massey's statement, Thomas Havey LLP released a statement regretting the accountant's activity and went on to say his "conduct is clearly unacceptable and completely deviates from the values and code of conduct at Thomas Havey LLP."

However investigators believe Havey's cooperation could widen the investigation of corruption to other unions, due to the fact the company serves as auditor for more than 700 union-bargained benefit plans and is contracted by several international unions based in Washington DC. In its advertising the company has bragged it specializes in serving unions.

#### **America West Airlines clerks petition to unionize**

The Teamsters union announced that a majority of customer service agents at America West Airlines have signed cards petitioning the National Labor Relations Board to hold a union certification vote.

Some 65 percent of the 4,200 reservation and ticket agents along with other personnel signed cards to unionize. The Teamsters already represent America West's mechanics.

#### **Workers at the Big Three to hold strike vote**

Forty-six thousand workers at Canadian plants of the Big Three auto manufacturers (Ford, General Motors, and DaimlerChrysler) vote on Sunday, August 25, whether or not to strike. The Canadian Auto Workers Union (CAW) is currently involved in the contract talks, in advance of the September 17 contract expiration date.

The main issue is plant closures, as the auto industry moves to take advantage of more exploitative conditions in the American South, and in Mexico. The Big Three are under particular pressure, as they continue to lose both profits and market share to "offshore-based" companies like Hyundai, Toyota and Honda. 15,000 workers are expected to be laid-off by the Canadian subsidiaries of the Big Three in the near future. In September, for instance, GM will close its Ste-Thérèse, Quebec plant, where the Camaro and Firebird cars are manufactured, eliminating 1,400 jobs.

The present contract was reached in 1999, and included a six-year agreement with respect to pensions. Also at that time, the United Auto Workers in the US agreed to a four-year contract with DaimlerChrysler, further undermining solidarity between Canadian and American autoworkers. The last strike against the Big Three was in 1996 against GM.

#### **Strike continues at North Bay Hydro**

Thirty-five workers at North Bay Hydro have been on strike since July 4, demanding that the electrical utility continue to provide full benefits to retirees. Negotiations between the workers' union, Local 72 of the Canadian Union of Public Employees—and the company resumed for less than a day on July 21, only to halt again. The company, which has reportedly also been training scab labor, withdrew, citing the futility of negotiations.

According to North Bay Hydro, health benefits for retirees, including drug, vision, dental, semi-private hospital coverage, as well as life insurance, cost the company \$160,000 a year—a cost that the company would see passed off to retired workers. In January of 2002, the utility's board took advantage of vague language in the existing contract to demand that this cost be passed off to retired workers by forcing them to pay an annual premium of between \$3,000 and \$5,000. In June, the workers voted 97 percent in favor of striking. The company refused to send the issue to arbitration.

Union representative and 20-year North Bay Hydro worker Elaine Larose, speaking to the *North Bay Nugget*, underlined the importance of the health benefits to Hydro workers: "Our men have had physical jobs their whole lives and there's not a single one of them who doesn't have an injury, and down the road they're going to need orthotics or prosthetics, and all of us down the road will need dental, glasses, hearing

aids and certainly prescription drugs."

#### **Six-month school strike in rural Saskatchewan ends**

A six-month-long strike by 46 support workers in Saskatchewan's Biggar public school division (Biggar, Cando, Sonningdale, Handel, Landis and three Hutterite colonies) has come to an end, with an August 21 vote ratifying the settlement reached by CUPE Local 2128 with their employer. The workers, who include teaching assistants, library assistants, caretakers and secretaries, had been on strike since February 4, 2002, which was already more than a year following the expiry of the previous contract on December 31, 2000.

The four-year contract reportedly includes a pay raise of 12.5 percent over its duration and an additional 1.5 percent increase in employer contributions to dental and health benefits. The contract also reclassifies secretaries, library and teaching assistants in a higher pay grade.

At the same time, talks continued between Saskatchewan's provincial government and the province's 12,400 school teachers. Their contract expires at the end of August. Their main demand is for a 5 percent annual increase in wages for teachers with 10 or more years of experience, as well as an immediate 10 percent increase in wages for starting teachers.

#### **Settlement reached at Toronto hotels**

Workers at Toronto's Central Hotel Group (the Delta Chelsea, the Sheraton Centre, and the Toronto Hilton) will hold a ratification vote Monday, Tuesday and Wednesday on a settlement recommended by the negotiating committee of the Hotel Employees and Restaurant Employees Union (HERE), Local 75. The 1,600 hotel workers have been demanding significant improvements to wages, benefits and job security.

Throughout the dispute, the union has refused to conduct anything but the most limited job actions, despite intransigence on the part of management and despite the desperate straits of the hotel workers, who are among the most exploited sections of the workers. An August 15 strike vote indicated that 89 percent of the hotel workers were in favor of striking the Central Hotel group. In the aftermath of the vote, however, the union made no indication of when a strike would be held. A number of one-day or partial-day study sessions were held.

As of yet, no details are available on the content of the settlement.



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