Workers Struggles: The Americas

17 September 2002

Brazilian transit strike

Sao Paulo bus drivers and ticket sellers employed by the Viação Serra Negra bus company went on strike for two days. The strike affected 85,000 passengers that ride 239 buses on 19 routes. The strikers demanded prompt payment of wages.

Sao Paulo steel company plans massive layoffs

The National Steel Company of Brazil (CSN), which recently merged with the Anglo-Dutch company Corus, is negotiating with the Metalworkers union the destruction of 900 jobs, or 10 percent of its workforce. Management is proposing monetary incentives to convince workers to resign or retire early.

Mexicans to protest electricity rate increases

Protests will take place September 17 along the Mexico-US border, demanding a reduction in electricity rates that were recently increased by the Fox government. On February 7 the federal government reduced subsidies to consumers. Rates went up fourteen-fold. In Coahuila, for example, residences that would have paid 60 pesos (US$7.50) a month are now being billed 1,500 pesos. The rate increase was a preparation for plans to privatize electrical service. The protests will demand that the government roll back utility costs.

Chilean football strike

A strike by first division players and trainers in Chile has entered its third week. In an attempt to break the strike, team owners have elevated junior players to continue the professional tournament. Chilean and South American teams confront a financial crisis that makes it impossible for them to honor dollar-denominated contracts with their top players. In Chile the crisis reached a boiling point in August. Players and coaches at 32 professional teams, tired of salary delays, walked out.

Team owners say they are ready to settle with the players if the football federation and the government grant them a debt-amnesty.

Buenos Aires' public employees demand wage restitution

On September 13 members of the Association of Government Workers (ATE) took to the streets in downtown Buenos Aires demanding the restitution of the 13 percent wage cut imposed on government workers and retirees last year. The marchers blocked traffic and rallied at different points in Argentina's capital city.

Recent court decisions have declared the wage cut illegal, and ordered to Duhalde government to return the money. The government denounced the decision but has promised to restore the cuts in January 2003.

On the same day, 500 unemployed and retired workers blocked traffic at one of Buenos Aires' main boulevards, 9th of July Avenue, demanding social benefits to relieve their plight.

Government economists claim the Argentine economy began turning around last month. They predict a 3 percent growth in 2003 after an 11 percent decline this year. Even if such a rosy scenario were realized, analysts acknowledge it will be some time before the unemployed notice any change.

Health workers protest in Chile

On September 12, member of the National Confederation of Health Workers (CONFENATS) occupied the third floor of the Health Ministry to denounce health reforms that would begin privatizing public health care and cut overtime pay to health workers. CONFENATS plans a national health workers strike for October 15 and 16.

Boeing machinists reject contract

The 26,000 machinists at Boeing aerospace plants in Kansas, Oregon and Washington State voted by a 61 percent margin to reject the company's last contract offer. However, that margin failed to surpass the required two-thirds or 66.6 percent majority that the International Association of Machinists (IAM) constitution requires to reject an offer and the contract was nevertheless imposed on the workers.

Two weeks ago the IAM leadership called for a rejection of the contract, believing this would lead to mediated talks without the possibility of a strike. When the company refused further talks and it appeared rank-and-file machinists were going to overwhelmingly reject the offer, the union halted the vote and impounded the ballots that were already cast.

Back in July, Boeing Commercial Airplanes President Alan Mulally told the *Chicago Tribune* that the IAM leadership was "aligned and attuned" to the fact that most of the 30,000 union members laid off in the past period would never be rehired.

The Boeing offer includes an immediate 8 percent bonus, estimated to average about $4,700 per worker. This will be followed in the contract's second and third year by raises of 2 percent and 2.5 percent. The bonus is considered to be a cynical ploy by company management to obtain ratification votes from those workers already slated for layoff. Not expecting the union to combat the loss of jobs, many of these workers believed a strike would only diminish their savings and ratified the contract in order to receive the bonus.

Meanwhile, the majority of workers who still hold jobs clearly saw the contract language governing job security as dangerous. In the past, thousands of jobs have been lost as a result of Boeing subcontracting parts production to outside venders. The present agreement introduced a new concept under which outside venders would deliver parts to the assembly line. The union believes that up to 2,600 workers involved with various aspects of shipping and receiving and warehousing would lose their jobs. As IAM 751 President Mark Blondin noted, if inventory and parts runners are expendable "middlemen" today, in the future, one could argue, "why do you need that middleman mechanic?"

The contract also included increases in workers' out-of-pocket health care costs that largely wipe out the bonus and raises they received. The monthly worker's contribution towards a family medical plan is estimated to be $316.

Philadelphia Boeing workers strike

About 1,400 workers represented by United Auto Workers (UAW) Local 1069 at a Boeing production plant near Philadelphia walked off the job September 14, after attempts to restart contract talks failed as a 30-day cooling-off period expired.

The production workers, who build the military's CH-47 Chinook helicopter and the V-22 Osprey aircraft, rejected Boeing's last contract offer on September 8. That agreement called for two $2,000 lump-sum payments in the first two years of a three-year agreement, along with a 2 percent wage increase in the final year. The company, which previously covered 100 percent of medical costs, wanted workers to assume responsibility for 10 percent. Local 1069 officials wouldn't comment on other contract details, nor would they compare them those covering

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26,000 Boeing workers by an International Association of Machinists contract in Washington, Oregon and Kansas.

Among the other issues at the Philadelphia plant is a demand by Boeing management for the power to reassign workers to other jobs at will. Opposition to the contract by UAW workers in Philadelphia was nearly unanimous, with 98 percent of the workers voting to reject the deal. No new talks are scheduled.

New round of talks between West Coast dockworkers and shippers

Negotiators for shipping interests and the International Longshore and Warehouse Union (ILWU) resumed negotiations again last week over technology issues. Earlier in the week the ILWU presented its newest offer on the technology question and received a counterproposal from the Pacific Maritime Association (PMA), which is negotiating on behalf of the shippers.

The ILWU has agreed to what they call the "free flow of information," which refers to a new computer information system that will do away with many clerical jobs on the docks. According to the ILWU, the PMA has accepted these proposals, but continues to be unwilling to grant the union jurisdiction over jobs that will remain under the new changes.

The fear of a strike by the ILWU or a lockout continues to concern companies that rely on just-in-time production and goods that pass through West Coast ports from Asian-Pacific suppliers. In addition, with the Christmas season drawing closer, retailers such as Wal-Mart and Target are also threatened by any disruption of imports to stock their shelves.

As the two sides resumed negotiations, they pledged to disseminate information only through joint press releases. While some Democratic politicians and union officials continue to request that the Bush administration stay out of the dispute, they are no longer making an issue of the strike-breaking threats issued by the White House.

Two months ago, the ILWU revealed that a Labor Department official, Andrew Siff, issued threats on behalf of the administration to ILWU union officials. In the event of strike, Siff said, Bush was prepared to mobilize the National Guard to take over ports, bring in Navy personnel to move cargo and petition Congress to declare the ILWU a monopoly, thereby legalizing the breakup of the union into separate bargaining units for each port.

Wisconsin aircraft workers continue strike over deep cuts

Workers at the Madison, Wisconsin Spectrulite Consortium Inc. are in their third week of a strike against the commercial and military aircraft parts-maker. The 170 workers, represented by the United Steelworkers of America Local 4804, refused to go along with the company's demand for a one-year contract that called for as much as a 12 percent pay cut, elimination of job classifications, the doubling of health insurance premiums and the requirement that retirees pay for health insurance.

The new contract would have a substantial impact on current and retired workers. The company has already cut 140 jobs during the past 18 months. The elimination of job classifications is expected to wipe out another 70 jobs. The wage reduction would amount to a cut of approximately $1.75 in hourly pay. Finally, married retirees who are not yet eligible for Medicare might end up spending over half their pension on health insurance due to the new contract proposal.

Police arrest four more unionists at Yale

Four more union members were arrested on trespassing charges last week outside a Yale-New Haven Hospital facility for passing out pro-union leaflets. Two of the workers were members of Local 34, which represents Yale clerical and technical workers, while the other two were members of the Yale Graduate Employees and Students Organization. The location is long known as an area where union and political literature is distributed.

The previous week police arrested four university workers, three of whom were officials of Local 34 for leafleting in the same location. The leaflets dealt with impending strikes by both Local 34 as well as Local 35, which represents dining hall workers. Both sections of workers voted by wide margins to strike if they did not obtain decent contracts when current agreements expire October 1.

The arrests next to the hospital are believed to be management retaliation for the support the Yale unions have given for an organizing campaign of hospital workers by the New England Health Care Employees Union Local 1199. Local 34 has injected the organizing issue into negotiations with Yale management. Yale has attempted to claim that the hospital is a separate entity.

A hospital spokesperson said the arrests were "legal and justified." But some sections of the political establishment view the hospital's actions as reckless and are advocating some type of accommodation with the union bureaucracy. Both hospitals and university workers are coming under greater pressures. Nurses, doctors and other hospital staff face longer hours and declining working conditions, while university employees are carrying the brunt of budget cuts through layoffs, pay and benefit cuts.

Northwest Airlines imposes health cost increase on employees

Northwest Airlines CEO Richard Anderson announced September 10 that over 45,000 of its unionized employees will have to begin paying 20 percent of their health care premiums in January after previously having these paid by the company. An NWA spokesperson declared, "We must get our costs in line with our revenue," and defended the company's move, pointing out existing union contracts allow the carrier to make the change unilaterally.

Criticisms by the various labor unions at Northwest were muted, with the exception of patriotic references to the bravery of airline workers during and after the September 11 events. A spokesperson for the Aircraft Mechanics Fraternal Association said, "NWA is failing to adequately communicate the carrier's condition and plans with the workforce," and indicated AMFA wanted greater involvement on financial matters with the airline.

A Teamsters 2000 official, representing flight attendants, said, "We're going to have to look closely at the contract." International Association of Machinists President Bobby DePace, whose union represents customer service agents and other ground workers, could only manage to say, "We are very disappointed in Richard Anderson."

The increases will involve two of the three health care programs offered by Northwest under which the vast majority of workers are enrolled. Workers in the managed-care program will pay monthly premiums of $58 and family payments will be $174. In the preferred-provider program payments will be $61 and $191 a month, respectively.

Northwest estimates health care coverage will cost about $383 million in 2003. The projected contributions from the 20 percent co-payment by workers are estimated to cut premium costs by $76.6 million.

CEO Anderson warned that the "most difficult decisions" are ahead. "The fact that our business has not returned to profitability—and we do not know when it will—is our main challenge," he said.

Construction workers join Videotron strike

Workers from the largest labor union in Quebec have joined a strike that began over five months ago by 2,200 workers at Videotron, the province's largest cable provider. The escalation of the walkout began on September 13 when hundreds of Videotron pickets turned out to block access to a construction site in downtown Montreal early that morning. When construction workers began arriving on the job they decided to join the picket lines in a show of solidarity.

The site chosen is where the new office building for the Caisse de Dépôt, or Quebec Pension Fund, is under construction. According to the Canadian Union of Public Employees (CUPE), which represents the Videotron strikers, they targeted that site because the fund was instrumental in the purchase of Videotron by the media giant Quebecor several years ago. Quebecor subsequently sold off services employing 650

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workers to a nonunion employer, Entourage.

The striking construction workers are members of the Quebec Federation of Labour (FTQ) and their vice-president, Jocelyn Dupuis, has criticized the government-administered fund. saying that there is nothing stopping the Quebec government from allowing the unionized construction industry to be dismantled in the same manner as Videotron.

Strike ends at Bay stores

After 13 days, a strike by 800 workers at the giant Bay department store chain across Ontario ended on September 10. The workers at the five struck outlets in Toronto, Brampton, Kingston and Kitchener are members of Canadian Auto Workers Local 1000. The deal was overwhelmingly accepted by the membership, with the union reporting they had successfully fought a host of concessions demands and that the central management demand of merit pay is not part of the new contract. A company statement, however, contradicted this claim. A press release from Hudson's Bay Company senior vice-president Bob Kolida stated, "We are pleased that we were able to reach an agreement that ensures the introduction of our HBC-wide, pay-for-performance program and new benefit package in these five stores."

Hudson's Bay Company is the largest department store chain in Canada, with over 500 Bay and Zellers outlets nationwide.

Court rules against locked-out Vancouver grain workers

Eighty unionized workers at the port facility of Prince Rupert were ordered last week to return to work after they refused to cross picket lines set up by locked-out workers from Vancouver. The workers at the Prince Rupert grain port, which had been idle, were called back to work a week before to handle shipping that was diverted from the locked-out port in Vancouver. All workers involved are members of the Grain Workers Union.

The court ruled against the support strike, saying the union did not provide sufficient evidence that they work for the same employer, despite the fact that the companies which locked out workers in Vancouver owned shares in Prince Rupert Grain and have a common board of directors.

The main issues in the dispute involving the 650 workers in Vancouver are seniority rights, mandatory overtime and hiring practices, which the union says could lead to the loss of over 200 jobs. The union has said it will abide by the court's decision, but will file an appeal with the British Columbia Supreme Court and make a renewed application to the Industrial Relations Board.

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