

# Workers Struggles: The Americas

14 February 2006

## Latin America

### Argentine oil workers end strike

Oil workers at the Repsol-YPF refinery in the Patagonian city of Las Heras returned to work on February 10, ending a 19-day walkout. The central issue in the strike, a reduction in taxes on workers' incomes, was left unresolved. Leaders of the oil workers union indicated that the average worker loses the equivalent of a month's wages through income taxes. Management did agree to transfer 300 workers into the oil workers union and to pay the workers their full salary for the days lost during the strike.

### Bolivian government takes over airline to settle pilot strike

Pilots for Lloyd Aéreo Boliviano (LAB), Bolivia's flagship airline, went back to work on February 11 after the government of President Evo Morales temporarily took over the airline to settle the nine-day strike.

The walkout was in protest over LAB's mismanagement under Bolivian entrepreneur Ernesto Asbún, who bought 51 percent of the firm's shares in 2003 from Brazilian airline Viasa. The government takeover was triggered by the LAB's executives' refusal to release reports on the financial state of the company as mandated by law. The reports are more than a year overdue.

The airline was privatized in 1996 with US\$65 million in assets. By 2003, LAB's assets were depleted to US\$2.1 million. Pilots union leader Otto Richter indicated that the union has evidence that Asbún intended to declare LAB bankrupt and transfer its remaining assets to a newly created firm, LAN-Bolivia, operated by Bolivian Defense Minister Walker San Miguel.

### Nicaraguan transit strike

A strike by owner-operators of Managua's city buses began on February 6. The strikers are demanding an increase in municipal subsidies—in lieu of a fare increase—to compensate them for increasing fuel costs. The strike affects 1,200 buses that move 850,000 passengers every day.

The government of President Enrique Bolaños made a tentative proposal that consists of a combination of increased gasoline taxes and transit fares. The current single bus fare would be replaced by a system of fares that vary according to the condition of the bus. Under popular pressure Managua's city government has thus far opposed fare increases, saying they would impose greater hardships on the city's poor, who

are the main users of public transit.

Bolaños reiterated, however, that his government would not do anything that would violate an austerity agreement with the International Monetary Fund (IMF). According to Bolaños, any changes in the 2006 budget would result in the suspension of Nicaragua's access to IMF and World Bank loans.

On Friday, strikers blocked streets and burned tires across Managua to press their demand. In Sandino City, west of Managua, strikers battled the city's police. Eight police and two strikers were reported injured. According to the bus operators the actual cost of providing bus service in Managua is US\$0.20 per passenger while the fare is US\$0.15. The Regional Union of Collective Transit (URECOTRACO) is demanding a US\$1.1 million subsidy from the government.

The Nicaraguan Students Union (UNEN) voted last week to mobilize against any fare increases. An attempt to raise fares last year resulted in protests led by the students and forced the municipal authorities to roll back the fare increase.

### Nicaraguan public health doctors take over Ministry of Health

Public health doctors in Nicaragua, on strike for over three months, took over the Health Ministry to protest the government's decision not to pay them for February on the grounds that the striking doctors did not work. Strikers denounced the government's decision as "blackmail."

The strike began on November 14. The 3,000 public health doctors initially demanded a 140 percent wage increase; later reduced it to 70 percent and now are asking for 30 percent for this year. The Health Ministry insists that its last and final offer is 13 percent.

The Federation of Health Employees, representing 20,000 healthcare workers, recently declared its support for the doctors. The workers are demanding a 48 percent wage increase, the closure of private clinics inside public hospitals and an increase in the budget for public health.

### Brazilian Central Bank employees launch one-day strike

Last Wednesday Brazilian Central Bank employees walked out of their jobs for 24 hours, affecting Central Bank offices across the country. SINAL union leaders indicated that the one-day protest was a warning and that more strike action over wages would follow. SINAL accused the government of going back on its agreement to pay a 6 percent wage increase in January, followed by a 4 percent raise this June. A government spokesperson said such an agreement does not exist, but that

the government would look into the strikers' demands.

This Tuesday, February 14, Central Bank employees will meet to vote on a 48-hour strike.

### **United States**

#### **Bankruptcy court to rule on Northwest pilots' contract**

A US bankruptcy judge may rule as early as Friday, February 17, on Northwest Airlines' request to terminate its labor contract with the Air Line Pilots Association. Pilots are currently voting on whether to authorize the ALPA leadership to call a strike if the bankruptcy court rejects ALPA's collective bargaining agreement and Northwest unilaterally implements terms and conditions on pilots. The results of the vote are expected by the end of February.

A spokesman for ALPA, which last month agreed to a pension freeze and a switch to a 401(k)-style plan for its 5,000 active and 700 furloughed members at Northwest, says the union is committed to reach a "consensual agreement" with the company. However, he said, "management's arrogant and excessive demands are unacceptable and are putting Northwest's future in serious jeopardy." Northwest has argued that sweeping concessions are needed from all of its unions in order to remain in business.

#### **Striking West Virginia chemical workers to get new proposal**

Members of the International Chemical Workers Union Local 45C are giving consideration to a new contract from PPG Industries February 13 after a year on strike. Workers walked out over the company's demand for a two-tier wage scale that would pay all new hires at the company's Natrium, West Virginia, plant a lower rate.

Local 45C President Mel Montes declined to reveal the contract's contents and whether the new agreement still contained a two-tier wage system. He told the media, "We're going to take that offer back to the members, explain it and vote on it."

Workers will vote on the new proposal February 15. Only three negotiating sessions have taken place over the last five months of the strike.

#### **Judge rules bankrupt Delta can divert money from retiree fund**

A bankruptcy judge ruled Delta Airlines can use money from a disability and survivor trust fund to pay other expenses. The judge rejected the efforts of a court-appointed retiree committee to limit the company's access to the fund because, they say, Delta has already raided it to pay unauthorized expenses.

Judge Adlai Harding told the court, "It is Delta's repeatedly stated intention that it will not change, it has no intention to change, retirees' entitlements." However, Delta attorney Marshall Huebner was more careful, saying the company planned to honor retiree benefits "unless something bad happens."

The fund is expected to run out of money in 2007. A member of the retiree committee pointed out that at that time, Delta's

creditors and lenders could object to the cost of entitlement obligations once the fund is exhausted.

Delta, which filed for Chapter 11 bankruptcy in September, is currently seeking to terminate its \$1.89 billion pension plan for pilots while demanding \$315 million a year in concessions.

#### **Former union president at United Airlines charged with stealing union funds**

Embezzlement charges were filed in federal court February 6 against a former official of the Association of Flight Attendants. Dianna Rushing, who served as president of AFA Executive Council 8 in Chicago representing flight attendants at United Airlines, is being prosecuted for stealing \$10,000 from the union's treasury for personal use.

Federal prosecutors charge Rushing carried out the embezzlement from July 2003 to January 2004. Rushing faces a maximum five years in prison and a \$250,000 fine. She stepped down after allegations surfaced in the union concerning the theft. Prosecutors indicate all funds have subsequently been returned.

### **Canada**

#### **Government workers threaten strike in Ontario**

More than 100,000 Ontario public workers are prepared to strike if the provincial Liberal government pushes through pension 'reform' contained in Bill 206 for a third reading in parliament without requested changes. In addition to giving special treatment to police and firefighters, the bill weakens employees' control and makes it more likely that disputes will be settled in the employers' favor. A two-thirds majority will be required for any changes in the benefit plan and contribution rates, making it much harder for the union to achieve benefit improvements. The government workers' union, the Canadian Union of Public Employees (CUPE), has been conducting votes across the province and so far members have voted 93 percent in favor of strike.



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