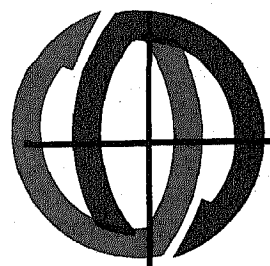


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ITF NEWS

NACHRICHTEN : NYHETER



March/April 1988

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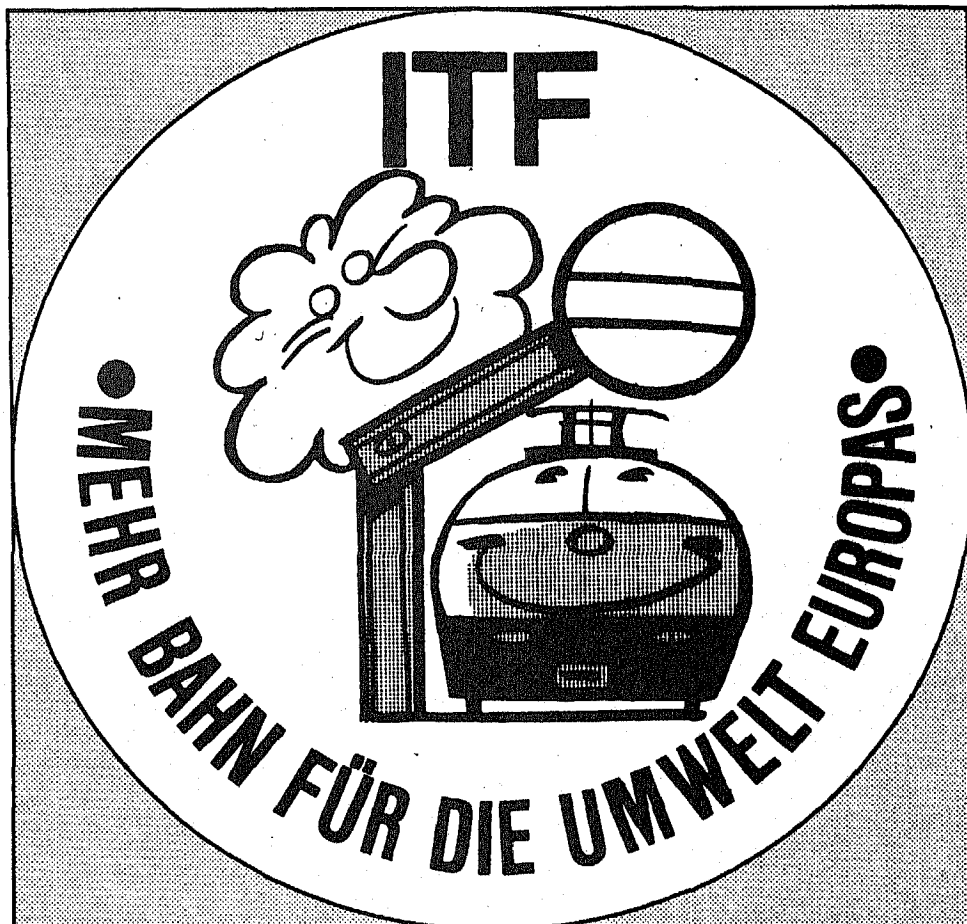
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"MORE RAILWAYS - PROTECT EUROPE'S ENVIRONMENT"

EUROPEAN RAILWAY WORKERS RALLY



"More Railways - Protect Europe's Environment" was the slogan under which more than 2000 railwaymen from ITF affiliated unions demonstrated in Frankfurt, F R Germany on March 18th. The demonstration, which took the form of a march through Frankfurt followed by a mass rally, was hosted by the German Railwaymen's Union GdED.

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ITF CIVIL AVIATION WEEK TAKES OFF NEXT DECEMBER (P7)

...nine point plan sent to transport ministers

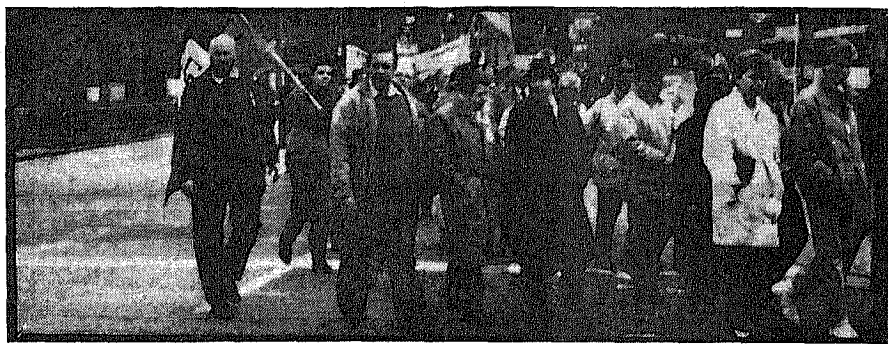
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Large delegations from railway unions in the other German speaking countries : Austria, Luxembourg and Switzerland as well as smaller but enthusiastic groups from Italy, Spain, Denmark, France and Belgium helped to swell the ranks of the demonstrators. The ITF was represented by President Jim Hunter from the Canadian Brotherhood of Railway Transport & General Workers as well as by Assistant General Secretary Graham Brothers and Research Secretary David Cockroft.

Throughout the Saturday morning the crowd of railwaymen round the GdED information stand in Frankfurt's main railway station grew larger as special trains brought in union members from all over Europe. Passengers using the station stopped by to listen to music provided by bands from Germany, Austria and Luxembourg and to pick up literature on promoting the railways. The demonstrators, fortified by liberal helpings of thick German soup provided by the GdED formed up outside the Station shortly after noon, for a march to the rally site in Frankfurt's Fair complex. Marchers and the musicians moved off in good humour through the streets of Frankfurt led by the ITF banner.

At the end of the march, demonstrators were welcomed by more music from the local trade union song group while they assembled for a rally chaired by GdED President Ernst Haar. Haar referred to the billions of marks invested by Europe's governments in road construction while the railway networks deteriorated, a situation which would probably be worsened by the effects of the European internal market due to be completed by 1992. Europe's railwaymen must fight to defend the railways, to improve the environment and to create new jobs, he said, reminding delegates that his union members had recently taken strike action for the first time in many years in support of shorter working time and for the creation of 4,200 new jobs on the German Railways. Further protests were planned throughout the Federal Republic against a 'fully motorised society' and for more emphasis on the railways.

Jim Hunter, on behalf of the ITF and Canadian railwaymen, pleaded with governments in North America and in Europe to show that they understand both the



Railway workers marching in Frankfurt

energy and environmental advantages of rail transport. Public ownership and control of rail transport is vital, he stressed, pointing out that most of the world's railways would never have been built at all if they had been dependent on the marketplace to raise the necessary finance. Railways could not and should not be operated for profit but as part of a publicly planned integrated transport system he concluded.

Hans Schmözl of the Austrian Railwaymen's Union concentrated his attack on the mounting accident toll on Europe's roads - 58,000 deaths in 1985 alone. Despite this chilling figure, most investment was still being concentrated on more roads and more traffic. Something had to be done to reverse this trend. Austria, as a major European transit country, could not go it alone. The EC free market in 1992 would have a massive impact on Austria's roads, so too would the ever increasing volume of road traffic coming from Eastern Europe and the Soviet Union. Rail unions must act together quickly to prevent disaster in the transport industry, he said.

René Bleser from the FNCTTFEL Luxembourg also referred to EC transport policy and "1992". Most EC governments are heading at full speed down the tracks towards full liberalisation he said, ignoring the need for social conditions to be harmonised first. Governments must realise that road and rail should not compete for goods traffic but should complement each other within a fully integrated European transport system.

After several doom laden speeches, The rally gave an enthusiastic welcome to the speech of Swiss Rail Union President Charly Pasche. He was able to tell the demonstrators that in Switzerland the ref-

erendum 'Bus and Rail 2000' had recently secured majority support. As a result, the government was committed to investing between 7 and 8 billion francs in the railways between now and the year 2000. The recently introduced 'half price ticket' which costs 100 francs per year had been purchased by 1.4 million people (out of a total population of only 6 million) and the railways had seen an increase in passenger traffic of 12 per cent during 1987.

The Rail and Bus 2000 project represented a massive vote of confidence by the Swiss people in the future of public transport. Intercity trains, regional and commuter trains and bus lines would all be integrated in a common system, timetabled for maximum efficiency. Although it too was a transit country, Switzerland was determined to resist firmly the pressure from the EC countries to lift its ban on trucks of more than 28 tonnes and on driving at night and on Sundays. Pasche called for a united effort together with Austria, Germany and Luxembourg to shift traffic off the roads and back on to the railways. Switzerland had shown that it could be done, it was now up to the neighbouring states to follow its lead.

Following the speeches the participants at the rally unanimously adopted a nine point memorandum to be sent to all European transport ministers. The memorandum stressed the vital importance of railways in Europe's transport network and called on governments and railway administrations to ensure that the EC internal market in 1992 did not result in a worsening of the position of the railways.

2000 railwaymen left Frankfurt in a spirit of determination. They were convinced about the need to defend the railways. The task of convincing governments and public opinion still remains.

General Secretary: Harold Lewis

Publications Officer: David Cockroft

International Transport Workers' Federation
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ITF Executive Board meeting

After a long and intense debate the ITF Executive Board voted, at its meeting in London on 15-16 March, to accept applications for affiliation from two Japanese railway unions Tetsusan-Soren and the Japanese Confederation of Railway Workers' Unions (JRU). Several members of the Board expressed strong reservations about accepting the application of JRU, which was formed by a merger of an existing ITF affiliate (DORO) and a union which has consistently supported the privatisation and break up of Japan National Railways (TETSURO). The decision was taken in the knowledge that JRU's affiliation was supported by virtually all ITF affiliates in Japan except KOKURO, for-

merly the majority railway union but now reduced to less than 40,000 members, and after receiving written assurances that JRU would abide by the ITF Constitution and ITF policies and would work together with KOKURO in the interests of all Japanese railwaymen.

Applications for affiliation from unions in Sweden, Chile, India and Indonesia were also accepted by the Board which was also informed by the US unions that the International Brotherhood of Teamsters (IBT) would shortly be seeking re-affiliation with the ITF following its recent re-admission to the ranks of the AFL-CIO.

Serious attention was given by the Board

to the situation in South Africa and to the execution of the "Sharpeville Six" which was scheduled to take place on March 18. An emergency resolution calling on all governments to intervene to prevent the execution was adopted unanimously and ITF General Secretary Harold Lewis on behalf of the Board joined British trade union leaders in an appeal to Prime Minister Margaret Thatcher to intervene with the South African government. Faced with a mounting storm of world opinion against the executions which were appalling even by the debased standards of the apartheid regime, a postponement of the executions was announced shortly after the end of the Executive Board meeting.

South African unions fight new labour law

Trade unions in South Africa are mounting a nationwide campaign of protest, which is underway as this ITF News goes to press, against the government's new draconian labour laws.

These new laws, coming in the wake of widespread official and semi-official harassment of trade union activity, and the recent clampdown on peaceful anti-apartheid opposition groups, are clearly designed to destroy the effectiveness of the independent trade union movement.

The government is now steering the "Labour Relations Amendment Bill" through parliament. On top of the emergency regulations and the silencing of the political opposition, this bill represents the culmination of a process.

The new labour rules are an outrageous attack on trade union rights. Employers will be allowed, when there is more than one union at a workplace, to choose which one they will work with—even though the one they choose may be a small, unrepresentative yellow union. If the union representing the majority of employees tries to make the employer deal with them, they can be taken to court and charged with "unfair labour practices"!

All sympathy strikes and secondary actions will be outlawed completely. Workers will not be able to strike against the unfair dismissal of a worker at their site, and no group of workers will be allowed to exercise their solidarity with another group of striking workers.

Workers will not be allowed to strike over the same issue for a period of 15 months. This bizarre rule will mean that if you strike over a contract dispute, win the strike and then the company breaks the agreement within 15 months, the union won't be allowed to strike again!

The unions will be liable for legal action and financial damages in the event of an

"illegal" strike or stayaway. The employers can claim damages for lost production or profits for the period of time of the strike.

Employers will be allowed to dismiss employees with less than a year's service without giving any reasons. The union will not be allowed to take such dismissals to court, or appeal them in any way.

A special labour court with the powers of

final appeal is being set up that will allow employers to rapidly overturn any court decision that goes against them. The ITF and the ICFTU are giving their full support to the independent trade union movement in fighting against these repressive labour laws. The fact that the government feels obliged to introduce these laws shows clearly how effective the trade union movement is in representing the aspirations of black workers.

POLES BREAK INTERNATIONAL LAW BY REFUSING

TRADE UNIONISTS RIGHT TO ATTEND MEETING

The Polish government, in flagrant violation of the basic International Labour conventions on freedom of association, refused to allow the Solidarity delegation to attend the International Confederation of Free Trade Unions' (ICFTU) 14th World Congress in Australia.

Lech Walesa and three fellow Solidarity leaders had told the ICFTU, to which their union is affiliated, that they would be attending the Congress from March 14-18 in Melbourne (see ITF News February 1988).

Walesa's employer, the Lenin Shipyards in Gdansk, had granted him leave to attend the meeting, but the government denied the delegates passports for foreign travel. Polish government spokesperson Jerzy Urban justified the act by saying that Solidarity "was dissolved and had ceased to exist legally".

International Labour Organisation Convention 87, which Poland has ratified, provides for the rights of workers to form associations of their own choosing, and Article 5 specifically allows them the right to join and participate in the activities of international federations of trade unions.

ITF General Secretary Harold Lewis

sent a message of fraternal greetings to the ICFTU Congress which took place at the same time as the ITF Executive Board. A report on the Congress, which took place under the theme "The Challenge of Change" will appear in the next issue of ITF News.

GENERAL STRIKE IN PORTUGAL

Around 2 million Portuguese workers, many of them in the transport industry, took part in the biggest ever General Strike called by the ICFTU affiliated UGT trade union centre on 28 March. The strike, called to oppose large scale changes in the country's labour laws, was also supported by the Communist-influenced CGTP centre. According to press reports virtually no buses, trains or trams ran throughout the country and more than 40 flights from Lisbon's airport were cancelled. The strike was also virtually 100 per cent followed in the ports and in manufacturing industry.

FISHERIES

Fishermen upset by EC-Morocco accord

Spanish and Portuguese fishermen are permitted to return to Moroccan waters, following the agreement of a deal between the European Community and the Kingdom of Morocco.

The EC agreed to pay ECU 3 million to the 10,000 Iberian fishermen who had been barred from their traditional fishing grounds since the beginning of the year (see ITF News February 1988). The former Hispano-Portuguese agreement with Morocco had expired, and the EC, now responsible for renegotiating the treaty, had failed to agree with the Moroccans on a new deal.

The agreement, reached at the end of February, allows Community boats a total tonnage catch of 95,000 tonnes in Moroccan waters — ten per cent down on the previous agreement, as demanded by the Moroccans.

On the level of financial compensation for the treaty, the two sides have split the difference — Morocco wanted ECU 100 million, the EC offered 37 million but they have now agreed on 70 million, plus licence fees paid by fishermen.

Additionally, the EC has agreed to raise the tonnage of duty-free Moroccan canned

sardines allowed into the Community. The present total of 14,000 tonnes has now been raised to 17,500 tonnes a year.

Spanish fishermen, who have been effectively excluded from the discussions, are not satisfied with the deal. On March 2, 30 trawlers from the Canary fleet, who usually fish the Moroccan banks, blocked the port of Las Palmas to protest the "terribly bad" ten per cent cut in their catch totals. The Andalusian fleet (totalling four hundred boats), who also ply the same banks, remained in port to show their disapproval of the deal.

DOCKERS

German dockers win working time reduction

Germany's 18,000 dockers will be working the equivalent of a 37 hour working week from the beginning of 1990 — a cut of one and a half hours from the present weekly total of 38.5 hours.

This was the main result of four months of hard fought negotiations between the port employers and the ITF affiliated ÖTV which concluded on 11 March. A 'warning strike' on 4 March when dockers in six

North Sea ports stopped work no doubt helped to alter the employers' hard line opposition to any cut in hours.

German dockers already get 9 extra paid days' leave per year as a result of an earlier agreement on shorter working time. From 1988 they will now get 12 days, with a further three days in both 1989 and 1990, taking them to a total of 18 days in January 1990 - the equivalent of a 37 hour week

when averaged out over the year.

Also agreed on 11 March was a 2.5 % increase in pay and allowances from 1 April 1988 with a further 2.5% from April 1989 under a two year pay deal.

The ÖTV has successfully resisted employer pressure to enforce a new distribution of working time and the existing shift system will now be retained at least until the end of 1990.

PEOPLE

Cees Roodenburg retires from the presidency of the Dutch Seafarers' Federation FWZ at the beginning of April. His retirement brings to a close a distinguished career in the FWZ lasting almost thirty five years. Åke Selander on behalf of the ITF attended a special reception given by the FWZ in Rotterdam on 25 March. He expressed the ITF's deep appreciation for all the effort which Cees has contributed to the work of the ITF Seafarers' Section and to the Flag of Convenience campaign. He is succeeded as President by P L Trommel, who was previously the FWZ's vice president.

Roger Wilkins has been elected as the new Deputy General Secretary of the British National Union of Seamen. On coming ashore, Wilkins became a full time union official, and later NUS Assistant National Secretary and then National Secretary in 1985. Wilkins takes over the post previ-

ously held by NUS General Secretary Sam McCluskie.

Joe Bossano the Transport & General Workers' Union branch officer in Gibraltar, has become the first Flag of Convenience inspector to be elected a head of government following a landslide election victory on March 25 for his Socialist Labour Party (SLP). Bossano, who has for

many years played a leading role in the campaign against Flag of Convenience shipping, has been a staunch critic of the British colony's flag of convenience register, most recently in the aftermath of the sinking of the Syneta off the coast of Iceland. His election as Gibraltar's Chief Minister will be bad news for FOC shipowners. The ITF sends him its heartiest congratulations.

OBITUARIES

Hans Jørgen Olaussen, former Vice President of the Norwegian Locomotivemen's Union died on 11 January, aged 60. Olaussen was Vice President from 1975 until December 1987 when ill health forced him to retire early.

Wilhelm Svetelsky, former president of the Austrian Transport Workers' Union HTV, died on 11 December 1987, aged 82. Svetelsky became president of the HTV in 1954, following the legendary Karl Weigl. He headed the union with great distinction for the next twelve years and was in turn able to hand over a greatly strengthened union to his successor.

LORENZO CITED FOR CONTEMPT

— Unions prepare for showdown as Eastern looks for foreign friends

Frank A. Lorenzo, the union-busting godfather of US civil aviation deregulation, has been found in contempt of court for his latest attempt to outmanoeuvre the trade unions at Eastern Airlines.

Washington Judge John A. Pratt on March 11 squashed Lorenzo's plans to hive off the most profitable segment of Eastern Airlines in a lawsuit brought by the ITF affiliated International Association of Machinists (IAM).

Lorenzo, whose aviation holdings through Texas Air Corporation include Continental, Eastern, Frontier, People Express and New York Air, controls the largest airline empire in the World. One in every five airplanes taking off in US airports is Lorenzo-owned.

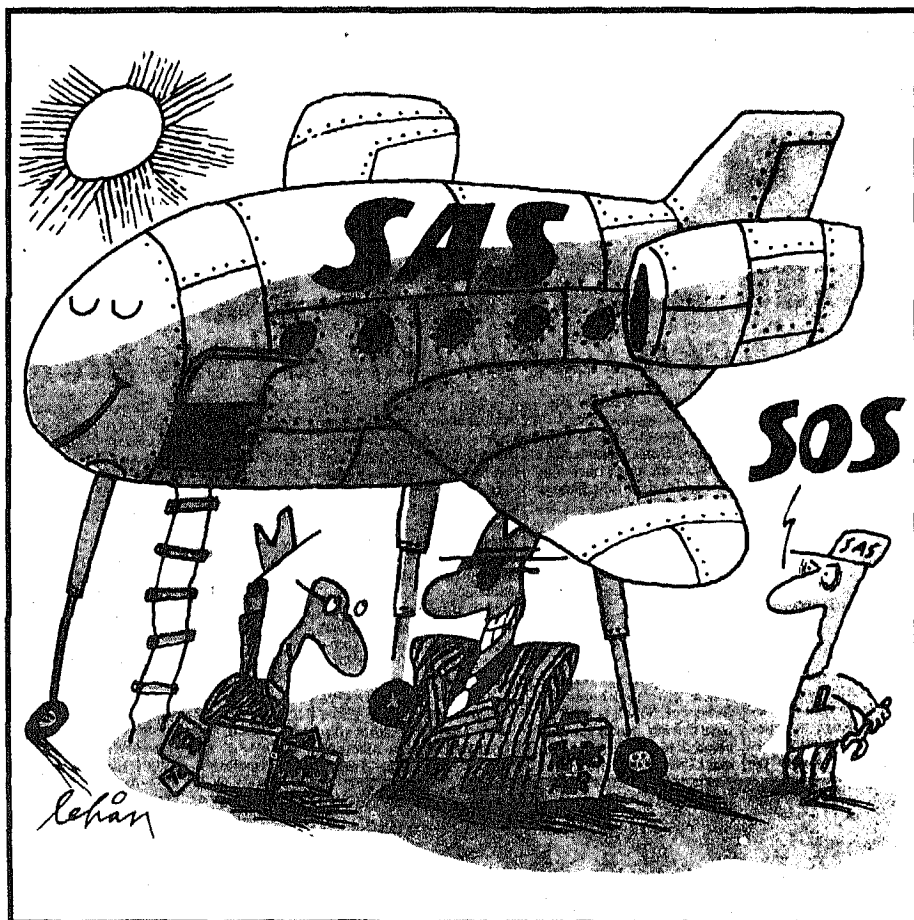
His latest ploy, announced in February, was to sell the profitable Washington-New York-Boston shuttle service operated by Eastern to a newly created Texas Air subsidiary called Air Shuttle for \$225 million.

The idea behind this plan was not only to strip the IAM of their accredited bargaining rights for the shuttle workers, but also to generate a "clean" new company which the desperately over-extended and seriously debt ridden Lorenzo hoped he could use to borrow more money.

The IAM, on behalf of its 12,000 ground staff members who work at Eastern, obtained the contempt of court ruling as a result of an earlier judgement concerning Lorenzo's attempt in June 1987 to cut jobs and wages and deny union representation to 5,000 ramp servicemen at Eastern by contracting their work out to a new company called Airport Ground Services. The IAM as the legally certified bargaining unit for the workers, obtained a court ruling, from the same Judge Pratt, who ruled that the airline had failed to bargain with the union as required under the Railway Labor Act (RLA) which, for historical reasons, is the law which governs aviation in the USA.

These two cases are, however, merely skirmishes in a major war now being fought between the unions and Lorenzo. Lorenzo is aiming for massive wage reductions amongst Eastern staff, and he appears to be doing his best to provoke a strike.

Before Lorenzo acquired Eastern, the unions co-operated with the then owner, Frank Borman. In 1976 the IAM's 12,000



The Swedish Transport Workers express concern, in this cartoon, about Lorenzo's discussions with SAS.

machinists, ramp and ground staff, the 7,000 Flight Attendants (members of the ITF affiliated Transport Workers' Union) and the 4,000 pilots (members of the ITF affiliated Airline Pilots' Association) agreed to a 3.5 per cent cut in wages and a profit sharing plan that, in the end, never paid out a cent.

By 1983 Eastern was again paying industry average rates, but the company sought more cuts from the unions. The unions agreed to cuts of between 15 and 22 per cent cut in wages in exchange for management giving them 25 per cent of Eastern's shares.

IAM Airline Co-ordinator Bill Scheri, who is also the Chairman of the ITF Civil Aviation Section, says that this was the high point of relations between the workers and management at Eastern: "It was a good atmosphere and there was a real spirit of co-operation then."

But management decided that the work-

ers were "getting in too deep", and, a year later, they withdrew the wage cuts.

Eastern suffered badly from poor management in the years 1976-85. The company generated a debt of \$2.3 billion and they over-extended themselves, for example by buying new aircraft that weren't really needed. During these same years the workers at Eastern gave the company \$900 million back in wage and benefit concessions.

Then came February 24, 1986. The day before Borman told the unions at Eastern that there was "no way" he was going to sell Eastern to a guy like Frank Lorenzo. He said he didn't like the guy (few do) and he didn't like the man's reputation as a union buster. At 2:30 on the morning of the 24th, the Eastern board sold out to Lorenzo. The US Department of Transport rubber stamped the sale that Autumn.

Lorenzo got Eastern for \$575 million.

Continued on page 6

...joint union campaign against Lorenzo

Continued from page 5

The airline was worth at least \$1.5 billion, but a loophole in US securities laws meant that the unions were "locked-up" from making any bid for the airline that was greater than Lorenzo's.

As soon as Lorenzo owned the airline he announced, through the press, that he intended to obtain massive wage concessions from all employees.

For mechanics whose rate is \$18.66 an hour, Lorenzo wants to create three wage grades with lower rates — a 'basic' mechanic at \$14, a 'senior' mechanic at \$16 and a 'master' mechanic at \$18. For ramp servicemen he wants to replace the present \$15 with a starting rate of \$6 rising to \$8 — a cut of 60 per cent in existing wages!

Contract negotiations for IAM members were opened last November when Lorenzo presented his already announced plans. Naturally, the union did not want to play ball and the talks broke down. Under RLA regulations industrial action (strike or lock-out) begins ten days after such a breakdown unless one of the two sides applies to go to the National Mediation Board. The IAM decided, on the ninth day, to invoke the arbitration clause to the disappointment of Lorenzo who was clearly looking for a showdown (To save face, on the day after the IAM application he also made one).

"His position hasn't changed," said Scheri. "He wants \$490 million from the workers and he only paid \$575 million for the airline, so basically he is asking the workers to buy the airline for him. Our union will not agree, we have already given enough."

The IAM is working with the other unions at Eastern, and with the AFL-CIO in a country wide campaign to stop Lorenzo. He is already well known for his unscrupulous attacks on trade unions, and union leaders openly describe him as a "maniac":

"This man is trying to whipsaw our industry," says Scheri.

(At Continental Airlines Lorenzo broke the unions in 1983 by filing a 'Chapter 11' bankruptcy petition. He then convinced a judge to tear up existing collective agreements and re-organised Continental as a non-union, low cost carrier that now pays the lowest wages in the industry. As a direct result of Lorenzo's unethical manipulation of the Chapter 11 laws, Congress has now changed the law so that companies filing for Chapter 11 protection are required to negotiate with recognised unions, but it's too late for Continental's former employees)

The latest court defeats for Lorenzo come in the midst of this unfolding battle.

Financially, and politically, Lorenzo is starting to crumble. Public opinion is beginning to turn against deregulation, as fares now stand higher than they did before 1979, and safety standards are clearly deteriorating. Public demonstrations against Lorenzo, organised by the aviation unions and the AFL-CIO, have drawn thousands in ten US cities under the slogan of "Lorenzo — stop abusing passengers and workers". Press coverage of the

He is also making a number of interesting moves in the area of marketing arrangements with other airlines:

Lorenzo and SAS?

Scandinavian Airline System (SAS) President Jan Carlzon and Frank Lorenzo met secretly in London during the second week of March to discuss a "marketing merger" between Texas Air Corporation and SAS along the lines of that already agreed between British Airways and

SAS President Jan Carlzon and Frank Lorenzo met secretly in London during the second week of March to discuss a "marketing merger"

Eastern dispute, and comment on Lorenzo, is increasingly sympathetic to the trade union position.

Financially, Lorenzo is in a lot of trouble, too. His associated airline concerns are carrying an 80:20 debt to equity ratio, and he owes \$5.3 billion. Lorenzo has to pay out a million dollars a day in interest on his debt. That is why the defeat over the Shuttle spin-off hurt him so much.

Two more legal challenges by the unions are pending. One concerns Lorenzo's transfer of the System One reservation computer from Eastern to Texas Air. Lorenzo paid Eastern \$100 million for a system worth \$500 million (a "rip-off" says Scheri), and Eastern has had to pay \$1 million and \$500,000 a month to Texas Air for the privilege of using its own system. In addition the pilots' union ALPA has asked the US Court of Appeals to stop Eastern's deal with a North Carolina cargo carrier to lease 26 Eastern jets to be used in case of a strike.

It is quite clear that Lorenzo is working towards a major strike at Eastern. He has recently tried to make arrangements to have British Airways overhaul 500 JT8 engines in London and he has asked the Federal Aviation Administration for permission to have aircraft serviced in Brazil.

United Airlines.

The two airlines are discussing sharing ticketing facilities, and creating composite SAS/Lorenzo fares and tickets for routes. The two sides are looking for premises to build a joint ticket sales office in London and are also considering setting up a series of joint ventures for training flight crews.

The ITF organised a meeting between SAS union representatives from Scandinavia and Bill Scheri of the IAM on March 15 to discuss these moves. As a result of that meeting the unions have agreed to keep each other informed of any developments on this front. The Scandinavian unions have also received assurances from SAS management that the co-operation plans will not involve flight crews, cabin staff or maintenance.

If Lorenzo succeeds in forcing the workers at Eastern to take industrial action, he may have met his match. Scheri says that things are very different today than they were at Continental in 1983:

"Things are turning around and everyone is pulling together, the unions and the AFL-CIO" he says. "It's not like 1983, there isn't a pool of unemployed licenced mechanics anymore. It's dried up and Lorenzo knows it — that's why he's looking abroad."

FOREIGN CARRIERS MAY BE FORCED TO DRUG TEST CREWS IN USA

Legislation currently being considered by Congress may force foreign airlines flying to the USA to set up drug testing and rehabilitation programmes.

The Air Passenger Protection Act contains provisions requiring airlines to drug test crews and run special rehabilitation programmes. Department of Transport and State Department officials say that the provisions would also apply to foreign carriers — but this might interfere with US bilateral agreements. Some carriers have already registered their opposition to the bill.

DEREGULATION? — NO THANKS!

ITF Civil Aviation week this December

— unions launch worldwide campaign for safety and public service

"De-Regulation : No Thanks!" will be the slogan around which the ITF's World Civil Aviation Week will be based. This was decided by a small working group drawn from the membership of the ITF's Civil Aviation Section which met in London on 25 March.

The week, which is scheduled from 12 to 17 December 1988, will act as a focal point for aviation unions' activities worldwide to draw public attention to the negative effects of deregulation as practised in the United States, and to press the need for a new regulatory framework for civil aviation which takes account of air safety and public service.

Leaflets, posters, stickers and other publicity material will be prepared by the ITF and its affiliates in different regions of the world - concentrating on the different developments affecting

civil aviation in each region. The aim will be to convince union members, air transport users, the general public and governments of the need to prevent the free for all philosophy developed in the USA from spreading worldwide. This doesn't mean a return to the rigid regulatory framework with high fares and low business volumes which used to characterise large sections of the industry, but it does mean a new regulatory system which guarantees safety standards, ensures that a decent transport network exists, and doesn't impose all the costs of competition on airline employees.

The forthcoming ITF Civil Aviation section conference in Tenerife in September will serve as a further opportunity for planning in detail the activities which will take place during Civil Aviation Week.

US aviation: calls for re-regulation

There is a growing belief that the days of aviation deregulation in the USA are numbered.

Rising fares, deteriorating services and a steady erosion of safety standards have all assisted a process of public disillusionment. The workers in the industry have always predicted that re-regulation will have to come, the travelling public now agrees, and the industry itself is starting to realise that something will have to be done.

The President of the American Society of Travel Agents (ASTA) — which groups together 24,000 travel agents from 129 countries — Francis Goranin told the ASTA conference in Heidelberg, West Germany last month that "We have been through the experience of deregulation and there are signs that we might enter a period of re-regulation."

In an open admission of the difficulties US deregulation has posed for the passengers, Goranin warned Europe about following the US example:

"We are very concerned about the apparent deregulation of the airlines here in Europe. We hope you will call on us to share our experience in order to possibly avoid the chaos and confusion our members and the travelling public in the US have had to endure," he said.

Gunter Eser, Director General of IATA, speaking at the same conference, acknowledged that re-regulation was on the agenda, but seemed doubtful about whether it was a good thing:

"There are already voices in the US that call for some kind of re-regulation. If this is the right thing, I do not know," he said.

"Summing up my remarks about liberalisation and deregulation I am reminded of what the French Novelist Françoise Sagan says: 'People rarely know what happiness is, only what it was'."

Happiness, for US air travellers, was cheap air fares, but Frank Lorenzo took the lead on Tuesday March 15 in putting most of these fares into the past tense.

Lorenzo's Continental Airlines — which has the dubious honour of paying the lowest wages in the industry because of Lorenzo's union busting activities in 1983 — was the first to

announce a wide range of massive fare increases coupled with the elimination of many discount schemes on March 15. Within days all the other carriers had followed suit. So much for cut-throat competition — the early days of deregulation are now a distant memory as the US aviation market is clearly under the vice-like grip of half a dozen mega-carriers controlling 90 per cent of all traffic.

These "oligopolies" operate in the worst manner of old fashioned cartels. Each have their own exclusive airports, to which no other carrier has access, and, through these, they control route and regional monopolies. Passengers, who at least had a choice before deregulation, now have none.

Nor is there any regulatory control over fares. The airlines can raise fares in unison without so much as a nod to public opinion or the government.

The cost of flying from New York to Houston, for most travellers, has now risen from \$195 to \$395 one-way. The \$195 discount fare (which was only available on a limited number of seats) is now completely eliminated, and the full fare is hiked from \$295 to \$395. Those discount fares that are left have been made more difficult to obtain and more expensive. The discount fare between New York and San Francisco, which is limited to a fixed number of seats (capacity-controlled) has had the seat limit reduced while the fare has risen from \$199 to \$250.

Business travellers account for 48 per cent of all air travel in the USA, and most business travel is at full fare — so the impact of these increases will be heavy. The average air fare paid by travellers in the USA is now far higher than before deregulation — and without re-regulation, fares will continue to rise unchecked.

The general public and their representatives in Congress are beginning to wonder what deregulation is all about. While Frank Lorenzo hikes fares, he is also trying to cut wages — it may be a formula for quick profits but in the long run, Lorenzo, as the unacceptably face of deregulation, may be digging his own grave.

BA bows to Euro merger pressure

In a major victory for European Community control over transport and mergers policy, British Airways (BA) have agreed to modify the terms of their takeover of British Caledonian (BCal) to satisfy the EC Competition Commissioner Peter Sutherland.

At the time of the takeover, Sutherland requested a meeting with BA to discuss the implications of the takeover (see *ITF News* January 1988) in the light of the EC's mergers policy and the recently implemented air liberalisation package.

Despite the fact that British Airways had already satisfied the British Civil Aviation Authority (CAA), they agreed to further concessions after a meeting between Sutherland and BA Chief Executive Lord Marshall in the first week of March.

The agreement, announced in Brussels on March 9, is the first of its kind in European civil aviation and establishes the precedent of Commission authority

over and above a national government. A cheerful Sutherland told the press that the agreement was "significant in the context of the overall liberalisation of European air transport."

BA have agreed not to try and obtain licences formerly held by BCal on 11 intra-EC routes in which the two carriers formerly competed. Under the original agreement with the CAA, BA had only surrendered three of these licences and was allowed to apply for them along with anyone else. BA has also agreed to drop its challenge to Air Europe's plan to start a service between London Gatwick and Rome, and has agreed not to seek services on that route until April 1, 1991.

BA have also agreed to limit their number of take-off slots from Gatwick airport to 25 per cent of total traffic, starting from next year. The merged airline now has 32.2 per cent of the slots.

Additionally, they have given the EC an undertaking that they will not transfer

BCal services from London Gatwick to London Heathrow in such a way as to "hurt consumers" and have agreed to maintain a balance between routes offered at the two airports.

All of the undertakings apply for four years — time enough, the Commission believes, to allow competition to flourish.

This agreement also reveals something of Commission strategy in seeking to develop a deregulated air market in Europe. Their concern over the merger, and particularly over take-off slots at Gatwick, is related to the disastrous developments which followed deregulation in the USA — where regional monopolies based on total control of all slots at hub airports, now dominate domestic aviation.

Ironically in seeking to protect European liberalisation from the logical consequences of US deregulation, the Commission is forced to itself impose a form of regulation in asserting their own authority to oversee the industry.

CISL wins landmark court reinstatement for Alitalia crewmember

An Italian Flight Attendant has got his job back after a landmark court ruling overturned a government decision that he could no longer work because he had a heart pacemaker.

Alitalia Flight Attendant Andrea Pallone was dismissed on October 1, 1986 on the ruling of the Italian government's Civil Aviation Authority (CAA). His union, the ITF affiliated Federazione Italiano

Trasporti (FIT-CISL) took up his case and decided to challenge the legality of the decision in the courts — despite the fact that the Italian courts have never agreed to overturn a decision made by a government body like the CAA before.

On March 2, Judge Doctor Policetti in Rome did just that. After listening to expert testimony on the medical and legal

implications of the CAA decision, he overturned it and ordered Alitalia to reinstate the man.

Defence lawyer Nicola Di Napoli and FIT-CISL have welcomed the decision, both for the individual concerned and because it establishes a new principle in Italian law — that CAA "expert" decisions can be appealed in regular courts.

FORTHCOMING MEETINGS

20-21 April	Maritime Policy Committee	Bremerhaven
4-5 May	Railway Section Committee	Vienna
30-31 May	Dockers' Section Conference	Rotterdam
1-3 June	Fair Practices Committee	Rotterdam
27-28 June	Research & Publications Meeting	London
28-30 September	Civil Aviation Section Conference	Tenerife
4-6 October	Road Transport Section Conference	Brazil
18-19 October	Executive Board	Munich
30 Nov. - 2 Dec	Seafarers' Section Conference	Brazil

ITF 4th Latin American Civil Aviation conference

Unions pledge solidarity and co-operation



The ITF's fourth Latin American Civil Aviation conference was an unqualified success, says ITF Civil Aviation Secretary Pio Albanesi.

The conference was held in Mexico City from March 7-10 and was attended by 69 delegates from 20 unions in nine countries along with ITF Latin American Regional representative Juan Fonseca and Albanesi.

The conference President was Captain P. A. Alejandro Luna Sotura, and the meeting was opened with a speech from Manuel Gomez Perlata, from the Mexican department of labour and social affairs.

The main work of the meeting, however, began when the delegates split up into three Commissions:

Commission "A" examined the state of civil aviation in Latin America. After looking at the state of bilateral agreements between states, and trade union policy in civil aviation, delegates stressed the need for a widespread trade union education campaign among aviation workers on the Continent.

Commission "B" discussed the professional status of civil aviation workers and looked at the importance of health and safety issues and the need to exchange information between regional affiliates on safety issues.

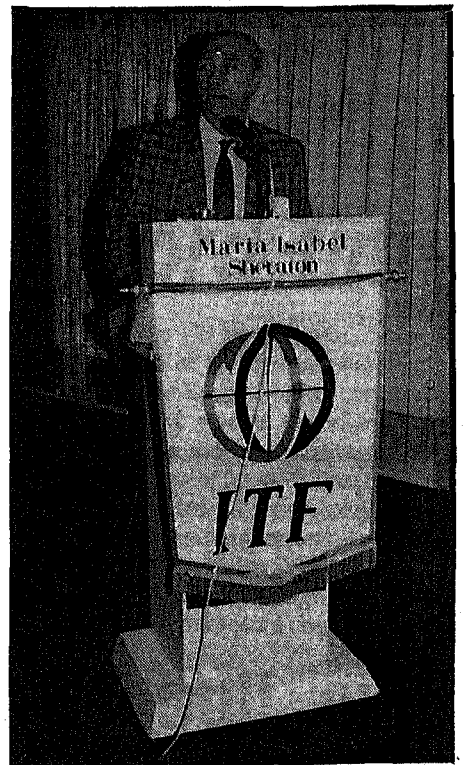
In a move that was endorsed by the rest of the conference, the Commission also recommended the setting up of a Latin American Health and Safety Committee to oversee and co-ordinate these efforts in the region. The Commission drew up the operating rules for the Committee and initial membership was decided by the Conference.

Commission "C" examined the issues of government licensing and international solidarity between aviation workers. It discussed the problems of civil aviation workers, mainly women, with family responsibilities and called upon aviation companies to provide day care facilities. It also passed a resolution opposing the practice of dismissing women when they get married — a principle many civil aviation workers have had to fight for.

The Conference adopted a number of important general resolutions including one affirming the right to strike for civil aviation workers, and one calling for the ITF to organise regional seminars on international solidarity. In response to requests from affiliates in a number of countries, delegates also adopted a number of resolutions declaring solidarity with workers in specific countries. The Conference called on the government of Mexico not to treat employees as scapegoats for the financial mismanagement of Aeromexico which has led to its present crisis. Solidarity with the Colombian Avianca workers in dispute was expressed, and the conference called on the Bolivian government not to privatise Aereo Boliviano.

Two press conferences were held during the conference, and there was plenty of positive coverage of the meeting in the Mexican newspapers and television. The ITF Civil Aviation Secretary told ITF News that he was very pleased with the meeting and with its conclusions:

"It's been 14 years since the ITF organised a civil aviation conference in Latin America, but it won't be so long before the next one," he said. "This meeting was a great success because it showed the com-



ITF Civil Aviation Secretary Pio Albanesi speaking at the conference

mitment and energy of the ITF Latin American Civil Aviation affiliates. Latin American workers are very worried that the new politics of aviation developing in Europe and the USA could affect them very badly. Latin America is a developing continent and would suffer harshly from this kind of imported deregulation. Working together and through the ITF they can bring greater pressure to bear on governments to see that this doesn't happen."

Sinking sparks new ro-ro safety fears

The safety of roll on roll off (ro-ro) ferries came sharply into focus yet again in February when the 18,773 grt Swedish cargo ship *Vinca Gorthon*, capsized and sank in a force 10 gale off north west Holland. It has never been far from the headlines since the tragic loss of the *Herald of Free Enterprise* and 193 passengers and crew just over a year ago.

On this occasion, luckily, there was time before the vessel sank for the crew to be winched to safety by helicopter without loss of life, although two of the crew were injured and had to be taken to hospital.

The ship, which was only eight months old and built to the latest specifications, rapidly developed a severe (45 to 50 degree) list, and then drifted south past a number of oil rigs before sinking near busy shipping lanes. The vessel later broke her back and settled across a vital oil pipeline, which started to leak and had to be shut down.

While the cause of the loss of the *Vinca Gorthon* has yet to be established, it is believed that the chain of events was triggered by a sudden shift in her high density cargo. Water then entered the ship and she rapidly lost stability, finally capsizing in 20m of water. The *Vinca Gorthon* had been built in Korea for carriage of wood pulp and forest products from Sweden to Britain. She was owned by Sweden's Gorthons Rederi of Helsingborg, and was on a regular voyage from Oskarshamn to Purfleet, Essex.

The British Department of Transport has ordered an inquiry into the sinking.

The speed with which the vessel developed an uncorrectable list demonstrates clearly that the unions and other maritime safety experts are right to question the attitude of the British government and the shipowners who have been trying to reassure the public that ro-ro ships are perfectly safe provided they are operated in accordance with the safety regulations.

This concern has been given backing by two prestigious bodies. The Royal Institution of Naval Architects (RINA) - the professional body of UK ship designers - issued a report on 21 March calling for urgent safety improvements to ro-ro ferries which it described as being "unacceptably vulnerable" to rapid capsize, even when being correctly operated.

The RINA report proposes technical modifications to improve stability such as

- the fitting of moveable transverse bulkheads and the use of longitudinal bulk-

heads so as to counteract the 'free water effect'

- the attaching of buoyancy tanks to the hull
- the insertion of buoyant material in hull spaces.

The naval architects recognise that their suggestions would add to the costs of ship construction and cause operational inconvenience but argue that "safety must override such considerations".

The RINA view was supported a few days later by the Nautical Institute, another UK-based body representing ships' masters and other senior officers. The Institute said that although the safety record of ro-ro vessels has been enviably good, this performance "has tended to mask the fact that many of these vessels are inherently vulnerable in collisions or other incidents". The Institute suggests

that any ro-ro ferry involved in a collision should be able to remain upright in the water for sufficient time for the passengers to be evacuated before the vessel capsizes.

The recommendations of these two bodies seem unlikely to be put into effect in the near future. British Transport Minister Paul Channon has ruled out unilateral action after representations from British shipowners who said it would put them at a disadvantage vis-a-vis their continental competitors and there is no pressure within the EC for such changes. The General Council of British Shipping attacked the RINA report as alarmist. The association which represents relatives of those lost in the *Herald* disaster on the other hand has welcomed the RINA proposals as being likely to give the vital extra minutes that might allow passengers to escape from a sinking ship.

Ship terror convention adopted in record time

With a speed which is unprecedented in international diplomacy, a new international convention on terrorism at sea was adopted on 10 March by a conference in Rome organised by the International Maritime Organization (IMO).

The Conference, which was attended by 76 countries, was called in the wake of the hijacking in 1985 of the Italian cruise ship *Achille Lauro*. At the time the ITF, fol-

lowed by the US government, called for the adoption of an international convention along the lines of ICAO conventions which already govern terrorism in civil aviation. The new treaty mirrors ICAO's Montreal convention very closely. In particular it guarantees prosecution of those who have committed terrorist acts against shipping either in the country in which they are detained, or through extradition to other directly interested countries.

US unions launch suit over reflagged tanker crewing

Five US maritime unions have filed a lawsuit against the US Coast Guard claiming that a waiver from US manning laws granted in respect of the 11 Kuwaiti tankers reflagged to the US is illegal. The suit follows a successful campaign by the unions to secure the passage of a new law (the Commercial and Fishing Vessel Anti-Reflagging Act 1987) obliging any ships flagged in the United States to carry US crews rather than simply requiring a US

master. The Act was signed into law by President Reagan on January 11 but within one month the Defense Secretary had requested the Coast Guard to grant a waiver for the 11 tankers on grounds of 'national defense interests'. As the unions point out in a statement in support of their law suit "How can the Defense Department argue with a straight face that keeping foreign nationals on these ships will improve national defense?"

Channel ferry crews strike against P&O and Sealink

Strikes by seafarers' unions in both Britain and France brought most of the ferry services linking the countries to a complete standstill during the peak Easter holiday season.

In Britain, the ITF-affiliated National Union of Seamen (NUS) is engaged in a bitter struggle with the management of P&O European Ferries over management proposals for savage cuts in the number of crews used on P&O's Dover/Calais service - the busiest of all routes across the Channel. The company, which claims that it needs to cut its wage bill by 20% now in order to meet the competition from the Channel Tunnel (which even if it is finished on time won't be open before 1993), has demanded an immediate reduction in the number of crews per vessel from 3.6 to 2.5, replacing the current 24 hours/48 hours off duty system with a new 7 days on/7 days off one. According to the union this proposal would:

- cut more than 400 seamen's jobs
- increase on-board working hours from 12 to 16 per day
- reduce annual leave by ten days without any compensatory payment.

In a press statement Peter Ford, P & O Ferries Chairman admitted that what was really at stake was the profit margin. The company has to increase its return on capital from the present level of 9 or 10 per cent up to 25% - an amount which he described as "reasonable" for the high risks of ferry operation.

Faced with an ultimatum to accept the changes or be fired, NUS members at Dover took strike action against P & O from the beginning of February. Despite the issue of dismissal notices to 2,300 seamen on March 15, the strike was still solid when ITF News went to press.

The NUS, which is fighting to preserve the few jobs which still exist on board British flag ships has been under constant attack in the British Courts from Conservative anti-union legislation over the last two months. An attempt to call a national strike of the union's membership in support of 161 members working for the Isle of Man Steam Packet Company was halted by court injunction and the union fined £7000 (with more than £100,000 costs) for not immediately calling off the planned strike. (The Isle of Man dispute was subsequently settled to the union's satisfaction however.)

In March a second attempt to hold a national strike over the deteriorating situation in the industry was again thwarted by legal action despite careful phrasing of the ballot paper distributed to all NUS members. Meanwhile members of the officers' union NUMAST have reached a separate

agreement with P&O on crewing levels. This agreement, which will involve around 120 redundancies and a reduction in officer crews per ship on all the Channel routes, is a substantial improvement on the company's original demands. In particular a proposal that rest periods should be taken on board ship rather than ashore has been withdrawn. NUMAST members at Dover approved the agreement but also gave an undertaking that they would not co-operate in taking ferries to sea with strike breaking crews on board while the NUS dispute continues.

The impact of the strike, which has taken out almost 50% of the passenger and freight capacity across the Channel, has already been quite significant. All services on the only other operator out of Dover Sealink were fully booked throughout the dispute, and huge queues of trucks formed outside Dover and Calais, with drivers sometimes having to wait several days to make the crossing. That was before the French strike started!

Seafarers employed by the French railway company SNCF which operates the Sealink service jointly with Sealink Ltd, the British company, took strike action early in March against the French ferries operating out of Calais, Boulogne and Dunkirk. The principal cause of the dispute was the demand by SNCF for changes to crewing arrangements on the new train ferry *Nord Pas de Calais*. The company was demanding the replacement of 24 hours on/48 hours off with 7 days on/7 days off (sounds familiar doesn't it?). With only two British ferries *St Anselm* and *St Christopher* having to cope with the

entire tourist and freight traffic across the channel, the queues of frustrated passengers grew longer and longer. To keep them occupied and reduce the tension, SNCF arranged visits to local tourist spots, pop concerts and even a visit to the construction site of the Channel Tunnel! Most of those involved, especially the road transport drivers whose jobs and incomes are being put at risk, were not amused. At the beginning of the Easter holidays, motorists and coach passengers were having to wait up to 24 hours for a passage across the Channel.

The SNCF dispute was finally resolved on 1 April after a marathon 13 hour negotiating session when representatives of the seafarers' unions accepted a settlement in which the company withdrew many of its original demands and where the unions accepted a number of changes in working methods, hiring conditions, the pay of temporary workers, and the special status of the *Nord Pas de Calais* ferry.

It is of course the Tunnel which is at the root of all these disputes. When it is completed it will completely change the economics of the ferry industry and smash the near monopoly position enjoyed by the two big ferry companies at present. The seafarers involved on both sides of the Channel know that only too well. They are prepared to negotiate with the ferry operators about changed working conditions, but they have shown that they are not going to be forced in the course of a few months into agreeing to huge job losses, pay cuts and working hours increases to cope with a threat which is still at least five years away.

Port State looks at ILO 147 enforcement

A meeting took place in Brussels on 18 February to discuss how ILO Convention 147 which lays down basic minimum social standards for seafarers can be enforced through the machinery of the European Port State Control System. The ITF Seafarers' Section has long argued that government inspectors working under the terms of the Memorandum of Understanding (MOU) signed by 14 European states in 1980 should check on ILO conventions as well as IMO ones such as SOLAS (Safety of Life at Sea), STCW (Training, Certification and Watchkeeping), and MARPOL (Marine Pollution). The February meeting, which was held at the initiative of European Transport Commissioner Stanley Clinton Davis, brought together EC and ILO officials and representatives of the MOU secretariat in The Hague. Recommendations from the meeting will be passed to the Port State Control

working group, an intergovernmental body which meets in Athens in May.

NMU/MEBA 1 merger approved by ballot

Members of the National Maritime Union have voted 10 to 1 in favour of a merger with District 1 of the Marine Engineers' Beneficial Association (MEBA) - another ITF affiliate.

MEBA members are currently voting on the proposed merger and if it receives their support as expected a new merged union - District 1 - MEBA/NMU (AFL-CIO) - will come into being in the spring.

The new merged union will include licensed (officer) and unlicensed (rating) divisions. Currently the NMU organises mostly unlicensed seamen while MEBA represents licensed engineers.

Cape Verde seafarer aided by Rotterdam inspector

Prompt action by Rotterdam Flag of Convenience inspector Gert-Jan Harmsen in December last year brought desperately needed help to a badly injured Cape Verde seaman virtually abandoned by his shipowner following an accident on board the Cyprus flag cargo ship *Amazonit* in October.

The seaman, Silva Eugelino, was working in a cargo hold in Errut in Libya when a 200 litre drum full of battery acid fell from a hoist and burst open. Eugelino who had been unable to escape in time was showered with the chemical. Because of prompt action by other members of the crew he did not die but suffered 50-60% burns and was admitted to a hospital in Libya for treatment. After a few days in the hospital he was approached by the local agent of the German shipowner Rhein Maas und See Schifffahrt of Duisberg. The agent told Eugelino that his contract was

terminated and he should return to Cape Verde as soon as he was recovered. Believing the employer to be responsible for what had happened and determined not to lose his job as a result, Eugelino refused, and on his discharge from hospital in November he moved into a local hotel, returning to the hospital every day to have his dressings changed. After resisting continued attempts to make him return home, he finally received a phone call from the owner's Dutch agent telling him to travel to Holland, where he had originally signed onto the vessel. They told him that he would be met at Amsterdam's Schipol airport by a representative of the agency. When he arrived, still in a serious medical condition on December 3rd, there was no-one there to meet him. Seeing his condition the Airport customs and police sent him at once to the local seamen's hospital but it was not possible to find him

a spare bed.

The hospital authorities tried, without success, to contact the shipowner until finally they got in touch with FWZ inspector Harmsen.

After visiting Eugelino, Harmsen immediately contacted the owners in Germany who gave him the name of the Rotterdam agent and said they would deal with it. A call to the agent's office brought the response that it had all been 'a mistake' and that a basket of fruit had been despatched to Eugelino's bed that morning. The agent then assured Harmsen that he would take responsibility for the seaman's continuing medical treatment and would see that he received 70% of his basic wages while he was ill. According to Harmsen the doctors treating Eugelino considered that it was "a miracle that he had survived" everything, especially the flight from Libya to Holland.

ITF intervenes to help Seamen's Mission in minibus dispute

The ITF has intervened in a local dispute between a taxi company and a Seamen's Mission who use an ITF donated minibus to ferry crews from ships.

The Missions to Seamen Centre in Dunkirk, France like many other missions throughout the world, were given a minibus by the ITF to provide free transport for seafarers from their ships to the Seamen's centre. Many seafarers rely on this free transport, and the facilities of centres — without which they might often be stuck on board in port.

The problem in Dunkirk was that the local taxi company — a 'co-operative' of drivers — decided that the Mission was taking work away from taxi drivers by offering free transport to the Centre.

A number of incidents occurred in recent months, including attempts physically to prevent the minibus from doing its rounds and threats against the drivers of the minibus, which led the Dunkirk Chaplain, Reverend Tony Rimmer, to contact the ITF for advice.

The Dunkirk Mission are very careful to ensure that they are not taking work from the taxi drivers. They refuse to give free transport to any seafarer who has already telephoned for a taxi, and they provide seafarers with the taxi company's phone number — telling them to use a taxi if they want to go into town or shopping at the local hypermarket.

ITF General Secretary Harold Lewis met with Rimmer in February and assured him of the ITF's support in this difficult and delicate dispute. Lewis then sent a letter to the President of the taxi company, explain-

ing the role of the minibuses and expressing the hope that the dispute between the Mission and the taxi drivers could be resolved amicably in the spirit of co-operation.

The French Maritime Affairs Administration have also expressed their support

Tanker attacks step up in Gulf

Following a brief lull in attacks on merchant shipping while the warring states of Iran and Iraq concentrated fire on each others cities, the 'tanker war' in the Gulf restarted with a vengeance in mid-March. The most serious attack so far in terms of lives lost was an Iraqi air raid on two tankers *Sanandaj* and *Avaj* at Iran's Kharg Island terminal. Around 50 seamen, mostly Filipinos, are believed to have died as a result of this action. Retaliatory action by Iranian naval vessels and gunboats killed two Singaporeans aboard the Norwegian owned LPG carrier *Havglimt* on March 22.

Increasingly tanker owners are seeking naval protection as they take their ships into the war zone where insurance cover is either non-existent or available only at huge premiums. This has had the bizarre side effect of actually increasing the number of tankers flying the British flag or (more usually) the flag of one of the British FOC dependent territories (mainly Gibraltar and Bermuda). The deadweight tonnage of tankers on the British register (including the colonies) has risen by 25% since last Summer. As reported else-

for the Mission and its use of the minibus. A meeting has also been held between the Dunkirk Shipping Agent's President, a representative of the city administration, the Chief Administrator of Maritime Affairs for Northern France and the Missions to Seamen.

where, Norwegian owners are being warned by the UK government that naval protection cannot be guaranteed for vessels reflagged in Bermuda. NUMAST, the British officers' union has also expressed its opposition to the reflagging trend which does not create job opportunities for British seafarers and which will make the escort duties of the small number of British warships that make up the 'Armillar patrol' impossible.

In London, ITF Assistant General Secretary Åke Selander has followed up the February meeting with UN Secretary-General Perez de Cuellar with a letter addressed to all ITF seafarers' unions. The letter asks them to intervene directly with the member governments of the UN Security Council in support of the ITF plan for a UN naval force in the Gulf and in particular to make representations to the embassies of Iran and Iraq in their countries and to the diplomatic representatives of the United States, Soviet Union and P.R. China whose attitudes are, in the ITF's view, "crucial to the resolution of the problem of attacks on merchant shipping in the Gulf".

Latin American shipping crises

March and April have been active months in the seemingly never-ending flag of convenience/offshore registry market.

The first rumblings of significant change are being detected in the largely state owned shipping lines of the Latin American countries. In **Argentina** the government is reported to be considering plans to sell off up to 49% of the state owned liner company ELMA to foreign interests. This could throw open the company's right to benefit from the conference cargo sharing agreements which Argentina has negotiated with its major trading partners. In **Peru**, the national shipping line Compañía Peruana de Vapores is reported to be among 40 nationalised companies being offered for sale to the private sector in a move designed primarily to reduce the government's heavy public sector debt burden.

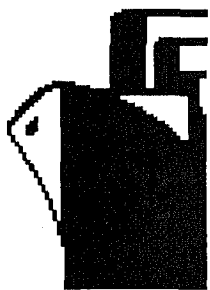
Bermuda's transport minister has announced that its FOC register has just passed the 3 million tonne mark for the first time, reflecting the transfer of several large oil tankers to the flag of the UK colony. A 25% cut in registration fees last year may be partly behind the moves but of more importance has been the British government's decision to treat Bermuda as part of the UK registry for the purposes of protection by the Navy's Armilla patrol in the Gulf. The Bermuda government is reportedly celebrating its windfall gains by considering the employment of a second ship surveyor! The growing trend towards reflagging in Bermuda for Gulf protection has clearly worried the British government. British diplomats in Oslo made a direct approach to Norwegian tanker owners late in March warning them that Navy protection could not be guaranteed. "The 1894 Shipping Act gives us no discretion to refuse applicants to the register. Similarly, legislation does not entitle vessels to protection" according to a British Government spokesman quoted in *Lloyds List* on March 25.

The ban by the Turkish government on **Cyprus** flag vessels visiting its ports may result in a substantial move away from the register by Greek shipowners operating in the Eastern Mediterranean. The ban, which is connected with the political dispute over Cyprus, looks certain to upset the spectacular growth in the Cyprus ship registry which had nearly 2000 ships of almost 18m tonnes in 1987 and has traditionally been a favourite with Greek and German owners. One leading FOC operator *Thenemaris* decided in February to transfer its entire Cypriot flag tanker fleet of 18 vessels totalling more than 700,000 gross tonnes to the Maltese regis-

ter. Others may follow.

Proposals for a second shipping register unveiled in Ottawa by Canadian Transport Minister John Crosbie have met with a positive reaction from the country's seafaring trade unions. Unlike most other 'second registers' the Canadian plan does not envisage the use of foreign seafarers on board the ships. Instead it will simply exempt shipping companies from corporate or individual income taxes, allowing the companies to remain competitive without cutting seafarers' take home pay. While owners and unions are enthusiastic

The ITF's regular flag by flag roundup



about the plan, some of the users of shipping are not so sure. *Lloyds List* reports the Council of Forest Industries of British Columbia as fiercely opposing the idea of Canada having its own fleet of ocean going ships, arguing that the country is "well served by other nations, most of which can offer lower rates."

Denmark's shipowners are still lobbying hard for the proposed Danish International Register (DIS) to be brought into operation. The legislation for the new register, which is still being considered by the Danish parliament, envisages a special tax regime for seafarers, very similar to that announced by the Swedish government. According to the Danish Shipowners' Association (DSA) there will be further strong flagging out this Summer of the 500 ships remaining under Danish flag unless the new legislation is ratified soon. Around 70 ships left the register in the first 9 months of 1987.

The prestigious Bremen Institute of Shipping and Logistics (ISL) has expressed strong support for German shipowners' calls for a second German shipping register. Pointing out that the shipping industry is still facing a severe economic recession the ISL notes that West German shipping and tax policies burden owners with considerably higher costs than their competitors, prompting them to flag out or sell their tonnage. A second German register, which is strongly

opposed by the seafarers' union, would provide a reasonable alternative says the ISL.

The Greek government is reported as studying the possibility of tax concessions for shipowners as part of an effort to attract Greek shipowners back to their country's flag. According to Merchant Marine Minister Evangelos Yannopoulos the Greek fleet has fallen from 3,896 vessels of 42.5 million gross tonnes in 1981 to 2,061 vessels of 22.7 million gross tonnes in 1987 while the total tonnage owned by Greek shipowners worldwide was around 83 million. However the idea of forcing owners to register their ships in Greece has been rejected by the minister.

Claims made two years ago that the Isle of Man flag would use only unionised British seafarers have turned out false. At the time the British seafarers' unions, NUS and NUMAST, saw the Manx registry as a way of safeguarding British seafarers' jobs, even if those concerned had to accept less favourable working conditions than those available under the genuine British flag. Despite serious concern from many ITF seafarers' unions, assurances by the island's authorities that only ships with NUS and NUMAST agreements would be accepted on to the registry were enough to keep the Isle of Man off the ITF's Flag of Convenience list, a factor which was heavily used in the registry's promotional campaign.

That position now looks certain to be challenged at the ITF Fair Practices Committee in June following a decision by CP Ships - one of the first companies to use the new register - to replace British junior officers on its ten ships with lower paid Indian nationals. NUMAST has accused the company of bringing the register into disrepute by using it as a device for cutting costs.

Meanwhile, the Tynwald (the Manx parliament) is expected to introduce draft legislation in its autumn session aimed at tightening up the registry. According to press reports, the maritime administration's powers will be extended and measures taken to enable ships not meeting the required standard to be removed from the registry. Consultations with the various industry groups are due to start shortly, with a final bill only being formulated when the UK Merchant Shipping Bill becomes law.

Malta has just announced reductions in ship registration fees in an attempt to boost the size of its open register. The Maltese register has recently been advertised in the

Continued on page 14

...Mauritius enters the Foc market

Continued from page 13

maritime press as 'A Convenient Flag but not a Flag of Convenience'. Those who might be fooled by this kind of media hype might need reminding that Malta, whose register traditionally attracts old tonnage and which has one of the world's worst casualty records, remains firmly on the list of registers which the ITF considers Flags of Convenience. The Maltese are apparently concerned that their rates compare unfavourably with their main competitor at the bottom end of the FOC market Cyprus. The current fees are not exactly exorbitant - (30 US cents per net ton initial fee plus 45 cents per net ton per year). Neither are many owners likely to be frightened off by the \$3 per month surcharge imposed on non Maltese seafarers.

Another new entrant to the FOC market, Mauritius is putting the finishing touches to the regulations necessary to implement its 1986 Merchant Shipping Act. Mauritius has recently ratified the SOLAS convention but adherence to the STCW Convention is not expected before the end of 1988. Mauritian government representatives echo many of their competitors in claiming that their open registry will not be a 'flag of convenience'. However, it is clear that Mauritius which currently has about 24 vessels on its books, including fishing boats, intends to compete for shipowners' favours alongside Vanuatu and other recently established FOC countries. Among incentives offered will be "wide ranging tax exemptions and few limitations on the choice of crew". A promotional campaign and representation in Mauritian embassies in major shipping centres is expected to accompany the register's launch. The decision on whether to place Mauritius on the ITF's list of FOC countries will be taken by the Fair Practices Committee in June, but on the basis of the information presently available its inclusion looks virtually certain.

The calls of Sweden's shipowners and maritime unions finally met with a positive response when, on March 14, the Government published a new plan designed to retain a significant national flag fleet. The plan rejects the idea of a second register along the lines of the Norwegian NIS which was strongly supported by the shipowners. Instead the government will exempt Swedish seafarers on long distance trades from income tax and will pay subsidies to compensate owners for social security contributions. The overall cost of the package, which has been opposed by the Finance Ministry, is estimated at around SKr550 million (\$85m) per year. The decision by the Social Democratic government to act in support of the shipping industry goes against the interna-

tional trend and represents a significant victory for the maritime unions. The Swedish flag fleet has fallen from a peak of 7.49 m gross tonnes in 1975 to less than 2m tonnes today. Swedish owned FOC shipping is estimated at 4.6 m tonnes. The shipowners are reportedly unhappy with this massive boost to their industry, however. They would still prefer an "International" register which would give them the option of employing low cost crews while avoiding the stigma attached to using a flag of convenience.

Another important area which June's Fair Practices Committee will be considering is the growing international trend towards use of bareboat charter laws. Bareboat charter agreements enable ships to hold dual registration for a temporary period, usually two years. While they can serve as a useful way for developing countries to enter the shipping market without the huge costs involved in ship purchase,

bareboat charters can also be used to blur the distinction between genuine national flags and Flags of Convenience. Concern has already been expressed by many ITF affiliates about the increasing use of the Philippines flag in such operations, and the government of Sri Lanka is currently drafting legislation to allow dual registration of vessels under its "Flag of Opportunity" scheme which currently employs some 518 Sri Lankan seafarers.

Two car carriers owned by Sweden's Wallenius Lines are reported to be about to switch to the United States flag. The move, a welcome change for US seafarers but likely to be less well appreciated in Sweden, reflects concerns about the possibility of protectionist legislation being introduced in the US Congress next year. The company, which owns 21 vessels and transports 450,000 vehicles from Europe to the US each year, has refused to identify the vessels involved.

'TIFFANY' JOBS FOR SWEDISH SEAFARERS

"Project Tiffany" a massive cruise liner deal which could create up to 2,000 jobs for Swedish seafarers has been announced by a working group led by the Swedish Ships' Officers' Association. The group, including two financial advice companies, has signed a joint venture agreement with American cruise ship company Carnival Cruise Lines Inc (CCL) in Miami. CCL (a company with which US maritime unions are waging a fierce organisation campaign) is the world's leading company in the non-luxury cruise market. 1987 saw the company turn in its best ever financial results with a profit of \$152 million. Project Tiffany, however, looks set to take it into the luxury end of the market.

The plan calls initially for the building of three cruise liners of 50,000 gross tonnes. Three more liners of at least the same size will follow in phase 2. Specifications for the ships will be ready by June 1988 at the latest and orders will be placed in July with one of three yards, Wärtsilä (Finland), Meyervon Papenburg (Federal Republic of Germany) and Atlantique of St Nazaire (France). The vessels will be owned by a Swedish consortium and leased to CCL for an initial period of 16 years after which the company will have an option to buy or lease them for a further 6 years. The cost per vessel is estimated at around \$165m. The ships, each of which will have 350 - 450 outward facing luxury cabin suites of 34 square metres, will operate in the world wide cruise trade at a maximum speed of 30 knots. Of more interest to seafaring unions is the fact that the ships will sail under the Swedish flag and be manned by Swedish seafarers.

This remarkable development, which runs against the worldwide trend to flagging out, and using cheap concessionaire crews in the cruise ship industry, owes a great deal to the efforts over the past 2 1/2 years of Swedish Ships Officers' Union official Wolfgang Kukol to increase the number of seagoing jobs for Swedes. Each vessel will have a crew of 200 men, 100 on board and 100 on leave. This will create a total of 1,200 new seagoing jobs for a minimum of 16 years.

A further 820 jobs will come from three cruise ships currently being built for CCL at the Wärtsilä yards, taking the total to just over 2,000.

"We can't just sit idly by watching Swedish shipping lose jobs year by year as the result of flagging out without also seeking to create new jobs" says Kukol who has been travelling frequently back and forth across the Atlantic keeping up contacts between the various parties involved and cutting across conventional party interests.

Had he met with opposition because he was a trade unionist? On the contrary, Knut Kloster of Kloster shipping company had said that he wished unions were more closely involved in more of the industry's problems. But not all companies are as enlightened as this. After two and a half years' hard work Kukol pronounced himself "absolutely delighted" at the news that the project would go ahead despite the scepticism of many in the industry. But he stressed that the work is not over yet. As soon as the news leaked out to the Swedish press, his union was inundated with enquiries from seafarers but he emphasises that it will be some time yet before jobs become available and seafarers have been asked to keep a watch on the press and to apply for jobs in the normal way.

British plan to introduce coastal cabotage

Increasingly impatient with slow progress within the European Community in eliminating cabotage (reservation of coastal shipping for national flag ships) the British government has announced plans to introduce the system in Britain for the first time.

An amendment to the final stages of the Merchant Shipping Bill, currently passing through the UK Parliament will give the government powers to reserve coastal

shipping to companies established in the UK. Foreign flag vessels will not be excluded entirely but their owners will have to set up a company - and employ staff in Britain in order to qualify. At present 40%

Greek seafarers win 12 per cent pay award

The crews of Greek ocean-going vessels have won increases of 12% on basic rates and allowances under a new agreement between the ITF-affiliated PNO and the

of coastal trade is taken by foreign operators. The government clearly hopes that taking this action will put pressure on the other EC governments to open their own coastal shipping to UK vessels.

Union of Greek Shipowners.

The agreement is backdated to the beginning of this year and replaces the previous contract which expired in March 1987.

INLAND TRANSPORT

Turkish rail workers campaign for trade union rights

Despite tight laws banning strikes and other industrial action, Turkish trade unions have decided on a three month campaign of escalating action as part of their struggle for the restoration of trade union rights and freedoms.

The action begins this month with a

'lunch boycott' followed by two provincial anti-inflation rallies and a two hour 'sit down' strike during working hours some time in May.

If the government fails to heed the joint union "warning action" a national two hour strike will be called at all Turkish

workplaces some time before the end of May.

Restrictions on the unions have become an essential part of the government's monetarist strategy and the unions have decided that direct action, even if technically 'illegal', is the only way organised labour is likely to succeed in changing official attitudes.

If anything, the government stance is likely to harden following the general election of November 1987 when the ruling party was given a mandate for a further five year term

The campaign of action is being coordinated by the Türk-Is Trade Union Federation, of which the ITF-affiliated Turkish Railway Workers' Trade Union DEMIRYOL-IS is a leading member.

Train driver's heart attack recognised as job-related

In a decision which could have important consequences for Sweden's train drivers, Gunnar Blomqvist, a driver from Vännäs, has had a heart attack suffered in 1980 classified as an occupational illness. Blomqvist began working for the state railways in 1942. Technological and financial pressures have increased the demands of the job enormously over that time. Single manning and increased train speeds have meant that the job requires extreme alertness. Three shift working is normal. Like drivers throughout the world he found himself having to start work at widely differing hours of day and night and was constantly suffering from a sleep deficit.

A report published in Sweden at beginning of the 1980s showed that train drivers were 50% more likely to suffer a heart attack than the rest of the population. As leader of the rail union branch in Västerbotten Blomqvist was responsible for the conduct of the April 1980 railway strike and overtime ban. Despite having kept himself fit over the years and being in good physical shape, his job and his involvement in these activities had taken its toll. He suffered violent chest pains during a tennis match on 18 May 1980. A fellow player who took him to hospital probably saved his life.

By January 1981 he was fit enough to work part time. But in March 1982 he suffered a blood clot.

Blomqvist gradually became convinced that his job had been a major factor in bringing on his illness. The legal department of the Swedish trade union centre LO and his union the Statsanställidas Förbund (SF) took up his case. Their assistance has been greatly appreciated. "I can't think of a better example to convince those doubters who don't understand why you should join a union" he says.

Initially the Social Insurance office in Västerbotten refused to accept his claim to have the heart attack classed as an industrial injury even though the doctor there took Blomqvist's side. An Insurance appeals court in North Sweden supported the local office citing as its main reason the fact that he had suffered the attack during a tennis match.

After a five year appeal process, judgment was finally delivered at the end of November 1987. After listening to leading medical experts in the field, the Court agreed that the "tennis argument" did not hold water and that the real cause of the illness was long term stress brought on by the nature of the job. This ruling opens the way for other drivers to pursue similar claims in the future.

US UNIONS BITE BACK OVER MANAGEMENT SAFETY RECORD

Rail unions in the USA have hit back at the Federal Railroad Administration's (FRA) safety efforts.

The Railway Labor Executives' Association (RLEA) — a negotiating coalition of US rail unions — have been criticised by the government because of their oppo-

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EC battles over road haulage policy

A tough rearguard fight by German transport minister Jürgen Warnke at a meeting of EC ministers on 14 March prevented the adoption of proposals for a significant liberalisation of the European Community road haulage industry. Under a plan drawn up by the European Commission, the number of authorisations for international road haulage operations was due to increase by 40% per year between 1988 and 1992, when the need for any such authori-

sations would cease with the completion of the 'free internal market'. The German government, supported by EC transport unions, is worried that liberalisation is going ahead at full speed while progress on harmonising the conditions under which operators work is much slower.

At the March 14 meeting all governments except that of the United Kingdom reluctantly accepted a compromise put

forward by Warnke that would have raised the quotas by 40% for each of the next two years but kept open the question of when and whether they would be scrapped altogether. The decision has been put off until the next meeting in June by which time Commission officials hope to have put together a package of proposals on harmonising road taxes, fuel taxes and drivers' working conditions.

New ITF Railway Information now available

Railway Information 1986, a new ITF publication, updates and supplements the data first contained in the booklet *What's happening to the railways?* published in 1978 and 1986.

It contains figures supplied by ITF rail affiliates in nineteen countries, including statistics on length of rail network and percentage of electrified track, maximum operating speeds, passenger and freight

kilometres and number of employees as well as on rail subsidies and income from traffic receipts, operating surpluses or deficits and personnel costs.

Also included in the round-up are details of privatisation initiatives and legislation to reduce (or occasionally, as in the case of Switzerland, increase) rail subsidies as well as measures such as the deregulation of road and air transport which are likely to

have an impact on the railways.

A new section has been added for the first time giving basic data on the employment conditions of rail workers in the countries covered, together with any important changes that may have taken place over the year.

Single copies of *Railway Information 1986* are available on request from ITF headquarters.

...US rail safety

Continued from page 15

sition to mandatory drug testing of all railway employees involved in accidents.

The unions have maintained that a blanket test, without the legal precondition of "reasonable doubt" about an employee's competence is unconstitutional. The courts have agreed with them.

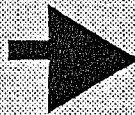
RLEA has stated that the rail unions are "willing to negotiate away our constitutional rights" in this area provided a standardised, fair procedure is agreed with the workers.

Faced with government criticism that they are unconcerned with safety issues — a very unreasonable claim since it is railway workers who suffer the most from accidents, the RLEA held a special press briefing on February 17 concerning the FRA's safety record.

The RLEA produced documentary evidence to show that the FRA has consistently taken a "lax" and "ineffective" approach to the enforcement of existing rail safety laws.

RLEA Executive Secretary James Kennedy produced government statistics that showed that for 315,000 violations uncovered by FRA inspectors on US railroads in 1986 "\$10 was the average fine imposed."

THE ITF IS HOLDING OUR FIRST EVER MEETING
ON TRADE UNION RESEARCH AND PUBLICATIONS



ON JUNE 27 & 28 1988
IN LONDON, ENGLAND



ITF AFFILIATES INTERESTED IN
PARTICIPATING SHOULD CONTACT THE
RESEARCH AND PUBLICATIONS
SECRETARY, DAVID COCKROFT, AT
THE LONDON OFFICE.....