



# NEWS

Nyheter • Noticias • 情報

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## INSIDE

Han Dongfang (3)  
European news (4)

DOCKERS  
US union-busting (5)

FORTHCOMING  
MEETINGS (6)

CIVIL AVIATION  
Latin American  
conference (7-9)  
Cathay Pacific (13)  
Airline roundup (14)

INLAND TRANSPORT  
Czech rail (15)

SEAFARERS  
Offshore  
agreement (17)  
Campaign news (18)  
Flag round-up (20)

## Latin American aviation unions fight globalisation

"Privatisation of airlines is sweeping across Latin America. Liberalisation and "open skies" agreements have opened up the continent to intense competition from US carriers.

Competition and liberalisation are bringing into the industry a new breed of low cost non-union carriers. For workers all this has brought job losses, worsening conditions and attacks on union rights." warned David Cockroft



Cabin crew in Aerolíneas Argentinas organised in the Asociación Argentina de Aeronavegantes (AAA) have fought a long struggle against job losses. 148 cabin crew were recently sacked. At the same time the company has taken on cabin crew on temporary contracts. The union has been fighting a long campaign for their reinstatement. Union members are pictured in Buenos Aires airport.

ITF Acting General Secretary at the ITF Latin American and the Caribbean Regional Civil Aviation Section Conference, "The emergence of airlines such as Taca in Central America, Taesa in Mexico and Servivensa in Venezuela with a low cost, non-union strategy is being posed as the only way in which Latin American airline can compete with US carriers. This must not be allowed to become the model for the region. Maintaining union rights and collective bargaining rights must be the priority."

The conference, one of a series of meetings on the theme of globalisation following the ITF Civil Aviation Section Conference in London last year, was held in Buenos Aires on July 20-21, hosted by the Asociación Argentina de

Continued on page 2

# Socialist transport minister appointed to Japanese cabinet

The general election for the Japanese House of Representatives took place on 18th July 1993. At the election the ruling Liberal Democratic Party failed to retain its majority in the Diet. As a result seven opposition parties except the Japan Communist Party reached agreement to establish a coalition government. Morihiro Kosokawa was nominated to be Prime Minister. He completed the composition of the Cabinet on 9 August.

The Cabinet lineup of the first coalition government in four decades includes many politicians of seven parties and among them are 6 Ministers from the Japan Socialist Party (SDPJ). One of them is Shigeru Ito, Vice-Chairman of the SDPJ, who was appointed as the new Minister of Transport and is closely related to the interest of ITF affiliates in Japan. The new Transport Minister is one of the Lower House members of the SDPJ and he was elected in the election for seven consecutive times from his constituency in Kanagawa Prefecture.

He is 65 years of age and is a graduate of the now defunct Imperial Japanese Army's military academy, he joined the SDPJ Secretariat after his graduation from the University of Tokyo following the end of World War II. He was one of the leaders of the SDPJ's campaign in 1960 against

the Japanese-US Security Treaty, as well as the movement against nuclear weapons.

As a leading expert of financial affairs in the SDPJ, he has been serving as the Chairman of the party's policy board and also assumed the post of Deputy Prime Minister in the SDPJ's shadow cabinet which was inaugurated in 1991.

In an interview after the appointment to the position, he expressed his view that transport is an essential element of the national economy and he is prepared to make efforts for improvement of congestion of urban transport.

Further, Brother Takanoby Nagai, formerly a KOKURO (ITF-affiliated railway workers' union) leader and later Diet member of the SDPJ in 1980, was recently appointed as the Parliamentary Undersecretary of Labour in the new coalition government to assist Mr. Chikara Sakaguchi, Labour Minister.

He was born in 1930 and after graduation from the Railway Training School, he joined the former Japanese National Railway (JNR) in 1949.

Since then he has long been in the trade union activities of KOKURO and in 1968, he was elected as a member of KOKURO's Executive Board and also played an important role as Secretary of political activity of the SOHYO national trade union centre which is a part of the present RENGO national centre.

## ...ITF civil aviation conference

Continued from page 1

Aeronavegantes (AAA). The conference was attended by 31 participants representing 19 unions from eight countries in the region. Seven non-ITF-affiliated unions attended as observers.

In her opening remarks AAA General Secretary Alicia Castro, who chaired the meeting, told participants that Latin American unions shared much common history and many common problems, particularly in responding to the effects of globalisation in the industry. She hoped that the conference would lead to a strengthening of aviation unionism in the region within the ITF, and that non-ITF unions present as observers would be encouraged to affiliate. She believed that these conferences should be held much more frequently.

Launching the publication of the Spanish ver-

sion of the ITF's book "The Globalisation of the Civil Aviation Industry and its Impact on Aviation Workers" David Cockroft noted that the book's conclusions had been taken from the last ITF Civil Aviation Section Conference. While unions did not expect to turn the clock right back they did call for substantial re-regulation of an industry which had flown off course. Globalisation without any controls or restraint was a threat to national sovereignty. Countries need to control their aviation policy as part of their national economic development. Pointing out the importance of a strong international union strategy, he told the conference:

"We need a united trade union strategy with closer and closer practical working arrangements between unions. The ITF unions are seeking one single ITF international union response to the problems posed by globalisation."

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See pages 7-9 for more about the ITF Latin American civil aviation conference

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# Chinese authorities refuse to allow Dongfang to return home

The Chinese government's recent expulsion of free trade union leader Han Dongfang dramatically illustrates the Chinese regime's complete refusal to abide by international human rights standards.

Dongfang, aged 30, a former Chinese railway worker, was one of the leading organisers of the Beijing Workers' Autonomous Federation.

At the height of the Chinese democracy movement in May 1989, Dongfang and other workers set up two tents and a broadcasting station in Tiananmen Square. The Beijing Autonomous Federation proclaimed the values of independent, free trade unionism at a time when workers and students were challenging the authoritarian rule of the Communist Party.

Dongfang was detained in June 1989 and charged in 1990 with counter-revolutionary incitement and propaganda, but he was never tried for his alleged crimes. He was released in April 1991 and charges against him were dropped in November 1991.

Dongfang has consistently campaigned for free trade unions in China. In March 1992 he applied for permission to hold a demonstration in Beijing in favour of independent trade unions; permission was denied.

While detained, Dongfang contracted a virulent form of tuberculosis. He received official permission from the Chinese authorities to travel to the United States from September 1992 till August 1993 to undergo medical treatment. He has had an operation to remove the upper lobe of his right lung and he is still taking medication.

Dongfang attempted to return to China on the 13th of August. He sailed from Hong Kong to a small entry port in the Guangdong province and into China. He then travelled to Canton city en route to Beijing. The next day 10 public security bureau officials entered his hotel room. He was taken by car and literally thrown out of China to Hong Kong. This is the first time in recent Chinese history that a legal Chinese national has been refused entry into China when he had no status anywhere else. The Chinese government is clearly violating the UN Declaration on Human Rights and international law. Dongfang is determined to return to China, he has said "maybe it will take 100 attempts to get back to my country, but that is my intention."

Dongfang visited the New China News Agency offices in Hong Kong on the 21st of August — the New China News Agency is the defacto Chinese Embassy in Hong Kong — and he was told by an official that his passport had been revoked because he was involved in alleged anti-



government activities during the past year which "undermined the interest of China."

In an official statement the New China News Agency has stated that Han Dongfang was released on probation to seek medication last December. They claimed that he promised that he would not undertake any activities against the Chinese constitution during his visit abroad. According to the Chinese authorities he has broken his promises.

If Dongfang has violated Chinese law, then he should be charged with the offence that he has committed and be given an opportunity to defend himself in court.

Transport unions in Hong Kong have rallied to support Dongfang. ITF Acting General Secretary David Cockroft has written to Li Peng Zongli, the Premier of the People's Republic of China, urging him to intervene and allow Brother Han to re-enter China and return to his home, "The case of Brother Han illustrates the continuing failure of the Chinese authorities to abide by international instruments, protecting basic human and trade union rights despite the lessons of Tiananmen Square." said Cockroft in his letter.

The other international trade secretariats, and the International Confederation of Free Trade Unions (ICFTU), have also protested vociferously about the Chinese government's behaviour. The ICFTU has announced its intention to lodge a formal complaint with the United Nations International Labour Office (ILO) following the government's refusal to let Dongfang return to his country.

The ITF has appealed to all affiliates to send messages of protest to the Chinese Premier calling upon him to allow Dongfang to return to China and go back to his home. Messages should be sent to:

**Mr. Li Peng Zongli**  
**Premier of the People's Republic of China**  
**Beijing 1032, China**  
**Via fax no: +86 1 512 5810 (c/o Ministry of Foreign Affairs)**

# Does the European Commission care about maritime safety?

Does the European Commission really care about maritime safety? That is the question that the shipping world is asking — and the ITF also has its doubts.

This lack of confidence in the EC's true dedication to seafaring safety has been provoked by the Commission's irrational opposition to Canada's application to join the Memorandum of Understanding on Port State Control (MOUPSC).

Based in the Netherlands, MOUPSC's current signatories are European states — but not only EC states: Sweden, Norway, Finland and Poland are also members. MOUPSC is not a European Community body, and it does not have to dance to the Commission's tune. The EC merely has observer status at MOUPSC.

Lobbying by the Commission during MOUPSC's last meeting in Bonn produced a vote that blocked Canada's entry — it appears that ambition in Brussels to control MOUPSC activity is blinding Eurocrats to MOUPSC's essential role in improving international maritime safety standards.

## RESPIRE FOR SPAIN

The Commission extended Spain's maritime cabotage exemption for another six months on July 13th. According to an independent study, over half of Spanish coastal shippers would have difficulty surviving deregulation. The new exemption runs from August 17th 1993.

## ROAD SAFETY PROGRAMME PROPOSED

The Commission proposed several measures to improve road safety in a June communication to the Council of Ministers.

A Community data bank for statistics on road accidents, new standards for motor vehicle design, training for moped riders, harmonisation of Breathalyser test equipment and infrastructure improvement are some of the points included in the programme. The Commission also wants to launch information campaigns and a code of conduct for advertising.

## ROAD TAXATION IS NOT A SOLUTION

The EC's Transport Ministers reached agreement on road taxation at their special meeting on June 19th — but German unions and employers are doubtful about its effects.

An annual European tax disc will be introduced in Germany, Denmark and the Benelux countries from January 1995.

Hauliers from outside those countries will have to buy daily passes to operate within them.

Total liberalisation of road cabotage services has been scheduled for July 1998, with the

transitional period to start from January first 1994.

Road transport companies in Germany are subject to a highly regulated market. Lack of harmonised social and technical conditions will lead to an upsurge in social dumping, whilst price competition could mean traditional rail freight will be diverted to the roads, they argue.

The Commission says that increased cabotage operations will be a boon to the environment, as it should cut the number of empty trucks on Europe's roads.

## Walvis Bay to be returned

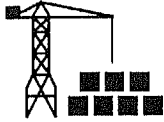
The Negotiating Council that is determining South Africa's political future has instructed the South African government to hand back the port enclave of Walvis Bay to the Namibian government before South African multi-party elections, scheduled for next April.

Walvis Bay — Namibia's only deep sea port — was retained by the South Africans when Namibia achieved independence.

A joint South African-Namibian administration for Walvis Bay was set up at the end of last year. Various South African and Namibian authorities were involved in the joint administration, particularly the South African port authority Portnet and its Namibian equivalent TransNamib, who were negotiating to establish a joint venture commercial company to operate the port while it was still in South African control. The agreement of the National Negotiation Council to hand Walvis Bay back was greeted with a mixture of scepticism and joy by Namibians. They were glad to hear that they were finally going to get Walvis Bay back, but some commentators wondered at the fact that no specific date for the handover has been agreed.

The General Secretary of the ITF-affiliated Namibia Transport and Allied Workers Union (NATAU) E.J. Kavaa says "this is great news to the workers who are living in this harbour town because it was a headache to negotiate on labour issues as the companies maintained 'this is South Africa'.

"But from the point of view of workers, especially transport, it is accepted with mixed feeling - happy but not satisfied until finally and formally Walvis Bay and the offshore islands are integrated officially into Namibia," said Kavaa.



# DOCKERS

## US West coast company uses armed guards to aid union busting

US West coast dockers are fighting a heavy handed assault on their members' rights by the Peavey Grain Company, a subsidiary of the international conglomerate ConAgra.

On July 19th members of the ITF-affiliated International Longshoremen's and Warehousemen's Union (ILWU) arrived at work as usual at the company's corn feed facility at Kalama, Washington.

They were faced with a 27-strong armed security force. Video cameras had been installed at the work site.

Out-of-state workers had been bussed in and quartered by the company. Working conditions were unilaterally imposed, and workers were urged to resign their ILWU membership.

Dockside staffing was reduced by 50 per cent, and work covered by the ILWU agreement was transferred to non-union personnel.

ILWU members were told that if they refused to cross union picket lines (no such lines had been established) they would be "permanently replaced."

Non-union tugboats and port pilots were chartered — to ensure industrial action would not delay the vessel at the facility.

The ILWU and the Peavey Grain Company have had a collective bargaining relationship for the last ten years. During this period successive agreements had been signed.

In June 1992 Peavey's Nebraska headquarters reneged on a hard-won settlement concerning gang sizes and shifts which had been accepted by the union and by a Federal mediator, and fired its own labour relations representative in Kalama.

In early 1993 Peavey rejected the notion of settling through arbitration. The ILWU argued that the existing gangs of six were needed — Peavey wanted a free hand to reduce gang sizes.

In March Peavey proposed a crewing of three per gang, and in April this year informed the ILWU that it would terminate the collective agreement in force since 1989.

Subsequent meetings failed to resolve the problem. Peavey refused to negotiate, and implemented its proposal to halve staffing on July 19th.

"They have three military-style check points on the approach to the docks. They put armed commando-style guards in boats around and on the facility. And they installed video cameras on

Interstate 5, the only public highway that approaches the facility," said ILWU President David Arian:

"And they've done this absolutely unprovoked by the ILWU. We've made every attempt to be reasonable, even when Peavey wouldn't budge in negotiations. Apparently they prefer confrontation to compromise.

"We can understand normal, adversarial relations between labour and management, but this time Peavey has crossed the line," he added.

The ILWU wrote to the ITF, who informed affiliates of the dispute. Protest letters have been pouring in from all over the world.

"In a world where companies are multinational, workers, too, must have an international outlook. Together, we must show them that they must take our needs into account," wrote Arian, in a letter thanking the ITF for its support.

## Grenada union seeks international solidarity

The Grenada Seaman and Waterfront Workers' Union have asked for ITF solidarity support in its struggle to protect its members' jobs.

Cargoes shipped to and from Grenada have previously been handled by members of the union. In December 1992, negotiations over the collective agreement ground to a halt and the government of Grenada authorised the Ports Authority to provide direct services to port users — effectively meaning the tendering of the work to non-union companies (see *ITF News*, January/February 1993).

In June the Grenada Ports Authority presented the union with an unworkable "contract". The union responded with a Collective Agreement containing alternative provisions.

"The Ports Authority have to date refused to negotiate with us and are hell bent on ignoring our presence in the dock. We understand that the Prime Minister has given instructions not to negotiate," explains the union's General Secretary Eric Pierre.

The Ports Authority is seeking to contract out port work — the company expected to receive the tender is well known for being anti-union.

The ITF has written to Grenada Prime Minister Nicholas Braithwaite supporting the union.

# Brazilian dockers fight new port laws with work to rule protests

Brazilian dockers have been taking industrial action in protest over employer intransigence as new port legislation is implemented.

Shipowners and port workers have sat through 58 negotiating sessions to try to reach agreement over the implementation of the legislation.

The law, which came into force on August 26th, allows for the imposition of individual contracts for port workers in place of collective

agreements, and allows employers to select the gangs they want and settle terms directly.

Dockers say that the shipowners have been blocking progress — no agreement has been reached, so the law will go ahead.

Dockers' unions are meeting to consider a general strike in all ports, signing regional collective agreements and taking the dispute to court and get the legislation declared unconstitutional



## FORTHCOMING MEETINGS

6-10 September	Inspectors' Seminar	Eastbourne
21 September	Road Transport Workers' Section Steering Committee	London
28 September	Cruise Ship Working Party	Miami
29 Sept.-1 Oct.	Cruise Ship Committee	Miami
4-6 October	North Sea and Channel Ferries Meeting	Rotterdam
5-7 October	African Railway Workers' Conference	Accra
18 October	Management Committee	London
19-20 October	Executive Board	London
26-27 October	Asia/Pacific Railway Workers' Seminar	Tokyo
26-27 October	Cabin Crew Technical Committee	Berlin
3-4 November	Maritime Safety Committee	London
8-10 November	Civil Aviation Section Committee	London
11 November	Ground Staff Technical Committee	London
16-18 November	African Seafarers' and Dockers' Seminar	Nairobi
17-19 November	Tourism Services Section Conference	Granada
6-8 December	African Women's Conference	Abidjan
9-10 December	ITF/Brussels Committee/PTTI Meeting on International Integrators	Berlin
14 December	Channel Tunnel	Coquelles



# CIVIL AVIATION

## Latin American aviation crisis dominated by union attacks

Participants at the Latin America and Caribbean civil aviation regional conference presented a bleak picture of an industry in crisis and workers' conditions under attack.

In Latin America large distances between population centres and the relative underdevelopment of other transport modes gives air transport a particularly crucial role. Yet with the current wave of privatisation, aviation is losing this vital public service role. In the same way, governments are losing their direct control over aviation policy, particularly when national airlines are bought by foreign carriers.

As one Argentinian participant put it: "What interest does the Spanish state have in developing a Buenos Aires-Cape Town route?"

As more liberal and "open skies" air agreements are made with the US, governments are similarly giving up another instrument by which they can control aviation services in and out of the country.

Privatisation, mergers and the intensification of competition through liberalisation have led to job losses and attacks on conditions and on basic workers' rights.

The increasing use of temporary and casual workers, and increased pressures on working hours and other conditions are also leading to a serious deterioration in aviation safety standards.

The emergence of low cost airlines like Taca in Central America which are determined to exclude unions, is an ominous trend. Maintaining collective bargaining rights is going to be key priority of union struggle in the region. Many unions are finding themselves faced by a level of aggression from the airlines and their governments which they have never experienced before. But as one participant from Venezuela put it: "We are acquiring courage in little spoonfuls."

A number of key issues emerged in the contributions from participants:

### PRIVATISATION

In Argentina the privatisation of Aerolíneas Argentinas and its purchase by Iberia have reduced the airline from a profitable national carrier to an regional feeder riddled with debt. Debt became so bad that the government had even been forced to repurchase 30 per cent of the

airline in 1992. Yet all management decisions are still made by Iberia and are made to fit in with Iberia's global strategy, not with the air transport needs of Argentina. Many domestic routes have been dropped. The airline's privatisation is now regarded as a complete disaster.

In Venezuela, privatisation of the national carrier Viasa had at first been favoured by unions hoping that it might improve the situation of the airline. Nine months later they changed their minds after Iberia bought Viasa and turned it from a national airline serving national needs into a regional feeder serving Iberia's needs.

In Peru, as in other countries in the region, the privatisation of the airline was a part of a general policy imposed by international banking bodies. The airline had only been sold after the government wiped out its public sector debts. The sale of the airline to Aeromexico breached Peruvian law which requires 51 per cent of the company to be Peruvian-owned.

In Brazil the privatisation of Vasp has been entangled with the corruption of the Collor regime. Over-rapid fleet expansion has left the airline in crippling debt. 11,000 jobs may now depend on funding from the state of Sao Paulo.

### US COMPETITION AND "OPEN SKIES"

In Bolivia, unions have been fighting against privatisation for four years, but there is strong pressure on the government to privatise.

In Uruguay, Pluna is for sale. Union protests against privatisation have included mass demonstrations and hunger strikes.

There are virtually open skies between the US and Chile and the US and Mexico. The entry of UAL and Delta on old Pan Am and Eastern Airlines routes along side American Airlines has brought more aggressive US competitors to the market. US carriers make profits on Latin America routes even when they are making losses everywhere else. These routes, however, are also vital to the survival of Latin American carriers. Flights to the US make up the bulk of their international routes. The US carriers have been using fares wars and predatory pricing to capture this market and they appear to be winning. The US carrier share of the Latin America-US market has gone up from 45 per cent in 1989 to 52 per cent in 1993.

Continued on page 8

# ...US airlines move into regional market

Continued from page 7

## REGIONAL CONSOLIDATION AND MEGACARRIERS

The major foreign carrier buying into Latin American airlines has been Iberia. As well as owning Aerolineas Argentinas and Viasa, it has shares in Ladeco and has recently shown interest in Pluna (Uruguay) and Lloyd Boliviano (Bolivia). US airlines have been more interested in "open skies" than mergers.

A couple of consolidated regional carriers have started to emerge. Aeromexico now owns 55 per cent of Mexicana and 70 per cent of Aero Peru, and has alliances with Air France, America West and KLM. All mergers have resulted in job losses and attacks on working conditions.

Central America has also seen the El Salvador airline Taca consolidate a mini-empire. Taca owns 40 per cent of Aeronica (Nicaragua); 40 per cent of Sahsa (Honduras); 30 per cent of Aviatega (Guatemala); 10 per cent of Lacsá (Costa Rica) and effectively controls without equity Copa of Panama.

Brazilian airlines are a very important factor in the region with a very large domestic market. Vasp is also bidding to buy Pluna.

## ATTACKS ON JOBS, CONDITIONS AND UNION RIGHTS

In Colombia the government had paved the way for privatisation since 1989. In particular it

had changed the labour laws to take away protections against dismissal and reduce rights to severance pay. In general there were serious violations of trade union and human rights in the country, including the killing of union leaders, which seriously threatened union organisation.

The national airline Avianca had recently dismissed 560 workers and replaced them with temporary workers with few employment rights. The company had introduced new flexible working practices for ground staff in which staff were not assigned specific functions. Cabin crew who suffered injuries at work were simply dismissed. Workers were being denied retirement benefits. Avianca had recently sold its maintenance facilities. This work was now done in Chile.

In Mexico unions had been weakened since privatisation in 1988. Although Aeromexico looks to become a regional mega-carrier it is doing this by pushing down labour costs and lowering safety standards. Since 1992 Aeromexico and Mexicana have announced 5,000 job losses. An immediate result of the Aeromexico - Mexicana merger was that the company laid off 65 Mexicana pilots.

Pilot unions have been forced to accept new flexible hours arrangements for charter flights. The company has violated its contracts with the pilots and recently tried to undermine union organisation by replacing scheduled flights using unionised pilots with a new charter service using non-union pilots. The company also tried to pressure pilots to give up their membership. The company had refused to talk with the union. A threatened strike, however had forced the company to negotiate and reach a settlement.

In Aero Peru the man appointed to re-organise the airline for privatisation was Danre Matellini, who had done a similar job in the ports, where the military was used to smash the dockers' union. Currently cabin crew were being forced to work excessive duty hours.

In Argentina in December 1992 Aerolíneas Argentinas fired more than 700 employees without warning. Forty cabin crew who had been replaced by temporary workers were still fighting for re-instatement. The company had threatened to take union privileges away from Alicia Castro general secretary of AAA but had been forced to back away from this.

The rise of a new breed of low cost non-union carriers who are driving costs to the lowest possible level (see box) represents a particularly dangerous threat to unions in the industry. These non union carriers include Taca in Central America, Taesa in Mexico, Servivensa in Venezuela and Fawcett in Peru. Airline analysts such as Avman Inc. have said that this low cost strategy is a response to increased competition from US carriers, but that the main casualty may be higher cost (unionised) Latin American carriers.

### The Conference called on the ITF to:

- Foster greater unity between civil aviation trade unions at national, regional and international level meetings, through the exchange of information, and more regular within the ITF between unions within international airline groups and alliances.
- In view of the key role of US-Latin America air links, to promote greater contact between aviation unions in the US and those organising in Latin American airlines.
- Elaborate basic minimum standards for working conditions which can be used by unions in the region to attack intensified exploitation of workers.
- Carry out a more active programme of education amongst ITF affiliates focused on the issue of airline globalisation.
- Defend basic trade union rights through the development of more effective practical international solidarity action.

The conference also passed resolutions on support for the AAA's campaign to reinstate cabin crew sacked in Aerolíneas Argentinas; the setting up of an ITF Latin American Regional Committee on Aviation Safety; the retention of three person cockpit crews; support for the ITF's campaign for international cabin crew licensing; the organisation of a Latin American "Day of Denunciation" against attacks on workers rights; support for the union campaign in Colombia against airport privatisation; and the setting up of an ILO permanent committee on aviation.



# Workers threatened by the emergence of non-union carriers

Taca the recently emerged dominant Central American carrier is non-union in all of the six carriers which make up the group except for one, Lacsca in Costa Rica. The Lacsca union, the ITF-affiliated Sindicato de Empleados de Lacsca is clear that Taca intends to rid itself of the union. Recently when pilots went on strike, Taca used aircraft and pilots from other non-union parts of its consortium to break the strike. 60 pilots had been dismissed (out of 72). Pilot costs have now been reduced by 30 per cent, but Taca still complains that Lacsca labour costs are out of line with those in the rest of the group.

Mexican aviation unions have been undermined by the presence of Taesa a low cost non union new entrant airline, which particularly aims to compete on routes to the US. Mexican aviation unions say part of its low cost strategy involves lowering aviation safety standards. The

FAA and Transport Canada have recently carried out investigations into the carrier's maintenance practices.

Peru's Faucett Airlines is seen as another privately-owned non union carrier which intends to extend its regional routes.

Avensa in Venezuela has transferred its Caracas-Miami service to its low cost subsidiary, Servivensa, which has recently been transformed by its parent company into a low cost scheduled company with non union labour and a heavy emphasis on subcontracting. Servivensa is challenging American Airlines on Miami-Caracas by achieving one of the lowest available seat-mile costs in the industry. However the strategy is likely to hit American less severely than Viasa, and will intensify the pressure on Viasa to cut costs.

## Unions call for international meeting with Iberia bosses

Unions from Spain, Argentina and Venezuela have issued a call to the management of the Iberia airline group to enter into a dialogue over the future of the Iberia companies. Iberia as well as being Spain's flag carrier airline has made significant investments in the privatised national airlines of Argentina (Aerolineas Argentina) and Venezuela (Viasa). Iberia's Latin America network also includes shares in Ladeco in Chile and previous or current bids for Aerolloyd (Bolivia) and Pluna (Uruguay).

The Iberia investments in Argentina and Venezuela have given the Spanish carriers effective control of two Latin American flag carriers as a result of unpopular government measures in both countries privatising state companies and public services. Moreover, the Iberia investment in these two airlines is accompanied by contracts to directly manage the two airlines.

Meeting under the auspices of the ITF in Buenos Aires on 22 July 1993 an international meeting of Iberia unions heard delegates from Argentina and Venezuela outline how Iberia's management has reduced these airlines to feeders for the benefit of Iberia's international plans and without consideration for the air transport needs of their countries.

This has involved dropping less profitable domestic routes, and trying to reduce service and labour costs by violating collective agree-

ments with unions. Iberia has neither successfully maintained previous service standards, nor improved the position of these airlines against competition from US carriers, serving US-Latin American routes.

The unions want the company to meet them in early September. If the company is not ready to hold such a meeting unions are threatening a co-ordinated international campaign against the carrier.

The meeting of Iberia unions follows calls at the ITF Section conference last November for more meetings and information exchange between ITF unions involved the same airline group or alliance.

## Civil aviation regional committee set up

The conference participants agreed to set up a Latin America and the Caribbean Regional Committee on Civil Aviation. The committee will be comprised of a delegate from each ITF affiliate in the region. It was agreed that the first meeting of the Committee should be held in conjunction with the ITF Latin America Regional Conference in Costa Rica planned for March 1994.

# The Clinton airline commission: putting off hard choices

*The US National Commission to Ensure a Strong and Competitive Airline Industry has handed its report to President Clinton. John Peterpaul, vice president of the IATA, and a member of the ITF Executive Board, says the recommendations go nowhere near to providing real solutions for the industry's problems, and do nothing much for workers. Below we reproduce an abridged version of the "Dissenting Opinion" he has produced in response to the Commission's findings.*

On May 24, I was sworn in as one of fifteen members of the National Commission to Ensure a Strong Competitive Airline Industry. On the very first day of our hearings, I heartily agreed with Chairman Gerald Baliles when he urged us to be "prepared to question some of the most basic assumptions" about the air transport industry and I seconded his argument that "If ever a sector of our economy is in need of a thorough re-examination, it is aviation."

Unfortunately, I believe that this Commission has failed to live up to its mandate and has simply put off the hardest choices which must eventually be made in finding a cure.

Fundamentally, the Commission has proved unwilling to propose anything not broadly supported by the air transport and commercial aircraft manufacturing industries.

Indeed, we could probably have saved the taxpayer's money by simply asking the Air Transport Association and the Aerospace Industries Association to get together and compile the Commission's report for us. At the heart of the Commission's timidity, I believe, is its deep reluctance to address the negative effect of airline deregulation on the industry.

I agree with many Commission recommendations, as far as they go. I tried to work within the framework of the Chairman's desire to achieve consensus. Thus, many of the recommendations with which I have chosen not to dissent represent compromises from what I believe are truly required; they simply don't match the gravity of the situation.

## UNADDRESSED AREAS

My greater problem with the Commission's recommendations are the areas left fundamentally unaddressed: the structural competitive defects of the airline industry; the targeted, subsidised foreign competition in the commercial aircraft industry; and, the interests and concerns of air transport and aircraft industry workers.

The industry suffers both from endemic structural and cyclical problems, and the structural deficits will not be offset alone by an upswing in the economy.

Historically, airlines have never matched other industries' profitability levels. During the seven-

teen years prior to deregulation, the airlines' profit margins were only 2.4 per cent on average, compared to the 4 per cent to 6 per cent earned by the rest of the US industry. Since deregulation, airlines' average profit margins have been a negative 2.3 per cent (and only 0.75 per cent through 1989, before taking into account the last three disastrous years).

The airline industry has a level of debt which is unprecedented in any other industry, with none of the network carriers having investment grade debt. To restore the balance sheets of the three largest carriers alone to financially respectable levels would require between \$10 billion and \$15 billion of new equity.

While a strong economic recovery would probably improve the industry's prospects (assuming that increased revenues aren't competed away in search of market share), it will take years for the industry to become financially healthier even under the most optimistic scenarios.

In the meantime, the industry will be confronted with huge known future capital requirements (to meet regulatory mandates, replacing ageing equipment, and meet growing demand) on the order of magnitude of \$90 billion to \$150 billion.

I fully agree with an observation by Commissioner Felix Rohatyn when he observed that "it may not be possible" for this country to achieve both a strong *and* competitive airline industry at the same time. In other words, we may not be able to have both hyper-competitive carriers and healthy carriers. And, if we wish to maintain the air transport infrastructure which has become so critical to our economy, we need to seriously examine steps which will stabilise this industry.

## WHAT SHOULD BE DONE

In my view, the broad outlines of a policy which the Administration and the Congress should pursue to revitalise the airline industry — beyond those contained in the Commission's recommendations (see box) — should include a number of additional crucial elements.

For the benefit of the airline consumer, fares should be simplified to only five different classes (first, business, economy, tourist and group). In addition, there should be limitations on discounts available to the government and large corporations so that they are at a rate no less than the fully allocated cost of a specified volume of ticket purchases.

Since public policy has mandated that carriers modify existing aircraft or purchase new ones to meet stringent noise requirements, federal loan guarantees should be established to help carriers

The US National Commission has been widely criticised for producing a watered down set of proposals. Its key recommendations are:

- A move away from bilaterals towards multilateral agreements.
- A raising of the foreign ownership limit from 25 to 49 per cent provided there are reciprocal arrangements and the investor is not state-owned.
- Time limits for carriers in Chapter 11 bankruptcy protection.
- A stronger mandate for the DOT to review carriers' financial fitness.
- Exemption of aircraft fuel from transport tax and other tax relief for airlines.
- The ATC network to switch to a Global Positioning System. Annual cost-benefit analysis of regulatory guidelines. Limiting of random drug testing. Elimination of current pre-employment alcohol testing rules.
- A review of the airport slot system to increase the number of slots.
- Use of GATT to counter state subsidies to overseas contractors. More use of export credit funding for US products.

to finance these significant new capital expenditures.

Congress should mandate a more aggressive DOT (US Department of Transportation) role in overseeing airlines' financial fitness of carriers and the DOT with more authority to intervene than is proposed under the Commission's recommendations in this area. Finally, to encourage more medium-sized communities, the DOT should be authorised to award exclusive route authority for up to three years for any carrier initiating *new* non-stop service between two cities not currently being served with such service.

One of the Commission's mandates was to develop recommendations designed to "provide a stable work environment for airline industry employees." Quite the opposite, the thrust of the Commission's recommendations indicate a preference for employment *instability* and lower wages.

#### AIRLINE PROFESSIONALS

Many life-long airline professionals have lost their jobs when their employers have downsized, merged into another carrier or completely liquidated. Airline professionals — from pilots to reservation agents — are an integral component of the industry's infrastructure. Unfortunately, all too many of these dedicated and highly skilled employees have been directly affected by the industry's turmoil over the past fifteen years. And uncertainty pervades almost every worksite in the industry, from the cockpit to the ramp to the ticket counter. Virtually no airline employee today can feel safe about his or her long-term career prospects.

Congress and the Federal government must take strong actions to help assure airline employees that they have a future in the airline industry. These actions should encompass two basic principles:

1. Under most circumstances, airline employees should have the right to "follow their work" when their employer sells assets or merges into

another carrier; and,

2. Laid-off airline employees should have an enforceable hiring priority at carriers which are adding to their workforce.

In the aircraft manufacturing and maintenance industry, the U.S. government, and specifically the FAA, must take action to maintain high-skill, high-wage employment in the U.S. to provide jobs for American mechanics, technicians and managers who have already lost or will soon lose their jobs due to changes in the airline and aerospace industries. To help accom-

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### **"The interests of airline and aircraft industry workers are left fundamentally unaddressed"**

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plish this goal, the FAA should return to its previous requirements that U.S. certificated carriers perform all planned maintenance domestically except in cases of emergencies or when there is insufficient domestic maintenance capacity to perform such scheduled work. This provision would **not** apply to foreign-based carriers nor would it apply to facilities established abroad by U.S. manufacturers to service their international customers.

Instead of taking such measures such as these, the Commission applauds the airline industry's ongoing restructuring, which is a polite way to refer to cutting labour costs and laying off tens of thousands of employees. The majority of the panel repeatedly refused to propose any measures which would directly assist workers who are trying to survive in this turbulent environment.

At our opening session, President Clinton remarked that "the people who make aeroplanes and equipment and the people who run our airlines are critical to our economic future."

Unfortunately, the end product of the Commission's work largely ignores these very people and does a disservice to our nation's future economic well-being.

# Court rules that Air Niugini sackings were illegal

In August 1992 over 1,000 workers in the ITF-affiliated National Airline Employees Association (NAEA) went on strike against Air Niugini over pay (see ITF News October and November 1992).

The company responded by sacking 100 employees. This triggered an indefinite strike in September which grounded all but a few of the airline's flights. At a Department of Labour hearing aimed at mediating the dispute the company agreed to negotiate over the sackings. However, outside the court the company declared the terminations non-negotiable and announced more sackings.

In November 1992, 130 families of sacked ground crew and cabin attendants were evicted by police and dogs from their company-owned homes. The ITF-affiliated Flight Attendants As-

sociation and the N.A.E.A believe the company is determined to break the unions altogether.

In August 1993 the Port Moresby District Court declared that the 130 sackings had been illegal. The N.A.E.A. general secretary Kapai Aria says:

"I am pleased about the ruling. Whilst there is insanity within the management of Air Niugini, the PNG legal system does provide some sanity as was reflected by the court decision.

"Whilst the decision does not effectively order the reinstatement of my terminated members, at least it is a step towards that direction."

The company, however, is still trying to challenge the court ruling.

The costs of the court cases have drained the slender resources of the union and the ITF has issued an appeal for financial support.

## Hungarian aircraft mechanics strike sends scabs home

The ITF-affiliated Independent Union of Aircraft Mechanics RMFSz/ACE at the Aeroplex maintenance facility in Budapest are in dispute.

The Aeroplex facility is jointly owned by Lockheed and Malev. Hungary has advertised the advantage of its cheap labour in developing the maintenance station. Hungarian air mechanics earn around \$2.50 per hour.

The dispute became extremely bitter when, at the same time as holding talks with the union, the company brought foreign strike breakers

into the plant.

After a two day strike, supported by 100 per cent of the workforce, as well as the threat of international union solidarity action (ITF statements of support were broadcast on the evening TV news) the company agreed to send the strike breakers away.

As we go to press, the union is still talking with the company.

A more full report of the dispute will appear in the October issue of ITF News.

## Australia sets up new civil aviation safety body

The Australian Civil Aviation Authority is to create a Directorate of Aviation Safety in response to concern from aviation unions and the industry about the decline in its safety monitoring capability.

Replacing the CAA's Safety and Standards Division, the new directorate will have wider powers in line with the findings of a recent report on the division's capabilities. The report, written by Capt. Alan Terrell, a former Qantas' Director of Flight Operations, was scathing in its criticism of the division shortcomings, and said that the scaling down of the CAA's staff, with the loss of

about 4,000 jobs, has been undertaken too quickly.

The funding of aviation safety in Australia has also been the subject of controversy. The Federal Government recently reneged on its earlier promise to exclude safety from the CAA's policy of total cost recovery from the aviation industry.

Following loud protests, Canberra has now said that it will fund half of the cost, which is estimated at about A\$45 million (\$30.3 million). The CAA and the industry are now debating how the balance will be allocated among users.

# Cathay Pacific union victimisation

In January 1993, Cathay Pacific was hit by an all out strike by 3,000 cabin crew members of the ITF-affiliated Cathay Pacific Flight Attendants' Union (FAU) protesting over increased workloads and the sacking of three cabin crew (see ITF News, January/February 1993).

The FAU returned to work on January 27, after the Hong Kong Legislative Council called for an inquiry into the dispute and called on the company to refrain from any victimisation of any of the strikers. It is clear, however, that the company was not happy at a return to work under these circumstances, and has sought to make an example of one of the union leaders.

Courtney Chong was vice chair of the FAU and a leading organiser during the strike. After the end of the strike she was not allowed to operate on any flight for two months. She was then accused of missing duty. On May 15, back on flying duty, Courtney was switched from her rostered flight to a flight to Singapore. The company had its Chief of Security as a passenger on the same flight. At the end of the flight Courtney found herself accused of stealing a packet of macadamia nuts and a magazine from the aircraft and the company dismissed her.

Courtney's dismissal, accompanied by press statements by the company, came on the eve of elections to the union executive. Courtney lost

her seat on the union executive. She points out "If this case had involved an "ordinary" crew member it would not have been publicised in all the Hong Kong newspapers. The timing of this incident coincided with elections for the new Executive Committee of the FAU and seriously undermined my chances for re-election."

The FAU's full support for Courtney's fight has, however, only been strengthened by the company's actions.

In August first the company rejected Courtney's appeal against dismissal. The Hong Kong Legislative Council has recommended that an independent body should look at Courtney's case. The company has rejected this idea. The union still awaits the outcome of a Labour Department investigation into the case.

According to ITF Acting General Secretary David Cockroft: "We are seeing an increasing number of cases where airlines seek to rid themselves of union activists by bringing such charges. As airlines increasingly demand that cabin crew handle sales on board the aircraft so cabin crew become more vulnerable to the use of such accusations. No airline should be allowed to use such a disgraceful and unjust means as a weapon against union members. We fully support Courtney's fight for justice."

## Canadian unions call for new aviation policy

Airlines in Canada employ over 36,000 Canadians and provide another 40,000 jobs in related fields, according to the Canadian Auto Workers and the Canadian Union of Public Employees. At a meeting of Canadian aviation unions of the country's air transport crisis held on June 23, union delegates were told that over 10,000 airline jobs have been lost since deregulation in 1984. Deregulation has meant lay offs, job insecurity, poorer working conditions, wage freezes and cuts, and a climate of fear in the workplace.

In 1989 Air Canada and PWA (Canadian Airlines) were operating at a profit. Since 1990 the two carriers have accumulated operating losses of CAN \$1.9 billion.

The Commission investigating the Dryden, Air Ontario crash has starkly shown that pressures of competition effect aviation safety.

The only response of the National Transportation Act Review Commission has been to recommend more competition, increases in foreign ownership limits, the right for foreign carriers to compete on routes within Canada, and "open skies.z"

The unions say that labour costs are not the

problem in the airline industry. According to the National Transport Act Commission, labour costs have fallen 21 per cent in real terms between 1981 and 1992. Labour costs at Air Canada and Canadian have declined from more than 41 per cent of non fuel operating expenses in 1984 to about 35 per cent in 1990.

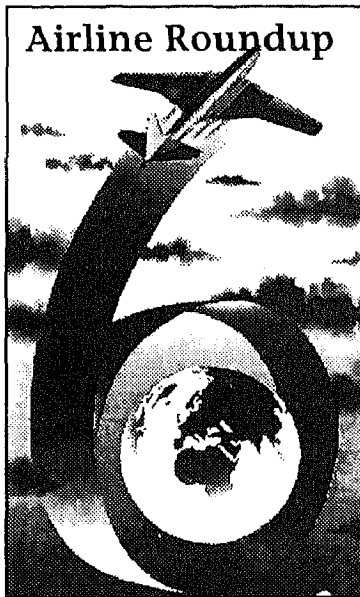
They point out that in 1992 a 4 per cent fare increase would have wiped out the \$250 million operating losses at the two major carriers. This would mean just an \$8 increase on a \$200 airline ticket. For airline employees to make up the loss, each employee would have to give up over \$7,200 in annual earnings.

The two unions are calling for the government to:

- Re-regulate fares, capacities, routes and schedules;
- Negotiate a fair bilateral treaty with the US, not "Open Skies" or "free trade in the air";
- Maintain the 25 per cent limit on foreign ownership and prohibit foreign control;
- Provide adjustment and training programmes for workers who lose their jobs through restructuring.

# More unions seek share ownership

Aer Lingus is in severe financial difficulties. A drastic restructuring plan demands US\$70m cost cuts some 1,500 job cuts, radical changes to work practices and selling off non-core parts of the business. The unions have been allowed access to the company accounts, which they say show the airline to be in an appalling position. The unions are demanding that the huge concessions expected of them should be compensated by a major union shareholding in the company (they are seeking around 30-49 per cent). The ITF-affiliated SIPTU is currently looking



at the experience of US unions in entering such deals. According to SIPTU they have been forced into this option by the state of the airline. The company seeks the bulk of cost savings from the payroll. It wants to lose 1,280 jobs in the airline (around 25 per cent of the workforce) and 250 at its TEAM maintenance facility. The union is looking closely at examples in the United States where financially struggling carriers have looked for deals trading concessions for company stock. At Northwest Airlines the machinists and teamsters

have just agreed a deal in which they have given \$900m worth of concessions in exchange for around 37 per cent of the company's shares including board representation. Recently an exchange of union concessions for company stock has helped revive TWA.

An even more ambitious scheme is causing a stir in the US where unions are seeking to gain a majority share holding in the major carrier **United Airlines**. Details of the deal are not yet available but a coalition of unions consisting of three ITF-affiliated unions ALPA, IAMAW and the AFA has been seeking a 60 per cent share in the company in return for \$3.36 billion worth of concessions. The deal would involve sizeable wage reductions for all employees, but the unions say the plan would give them a considerable amount of say in the running of the airline, and will improve job security. The UAL Employee Share Ownership Programme would differ from the deals at NWA and TWA by giving the unions a real management role and by being floated at a time when the airline is relatively healthy rather than being in deep financial crisis.

Unions in **Olympic Airways** are also considering an equity stake in their company. Company plans to restructure involving 3,000 job cuts have been withdrawn following union pressure.

The unions have hired consultants **Indevo Proudfoot** in New York to draw up an alternative plan which involves no job losses. This plan is likely to offer productivity concessions in return for company shares.

**KLM** is seeking to reduce its wage bill "Our terms of employment must conform to the market" says KLM president Peter Bouw. However, unions point out that the company's losses are due to its disastrous overseas investments, not its domestic labour costs. Available tonne kilometres per employee has gone up 25 per cent since 1992. The company has secured a current pay freeze until the end of 1995, and a 1994-95 pension holiday which will give the company more than \$150m per year. The company says it is determined to raise productivity further and to contract-out services such as ground transport and internal catering.

KLM is also transferring some scheduled routes to its charter subsidiaries **Transavia** and **Martinair**. Transavia has already taken over the Amsterdam-Gatwick route, and Martinair's long haul fleet is already used for some Caribbean routes.

Unions fear that KLM will eventually try to make forced redundancies. The ITF-affiliated **VKC** believes that up to 600 cabin crew jobs could be under threat.

In August **Sabena** unions accepted a company plan to cut operating costs by \$152m. This includes \$55.2 million coming off the wage bill. Total salaries will cut up to 2.5 per cent, and there will be a pension holiday. The company has not ruled out further job cuts.

**TAP** (Air Portugal) has dropped its disciplinary actions against members of the ITF-affiliated **SNPVAC** for their strike actions last April 16 (see *ITF News*, May/June). The struggle of unions in TAP against privatisation and violations of union contracts continues.

**Air France** is meeting growing union resistance to its cost-cutting plans. Cabin crew represented by the ITF-affiliated **SNPNC** held a 48 hour strike on July 13-14 over reductions in bonus payments. The airline has imposed savings measures on ground staff who refuse to negotiate such changes.

**Lufthansa** is seeking to contract out up to 20 per cent of its corporate functions and shift some areas outside Germany to cut labour costs. According to chairman **Jürgen Weber** there are some activities so removed from the core business that there will be no difficulty at all in moving them, even abroad.

According to the **Association of European Airlines**, 1992 saw its member airlines shed 15,500 jobs while productivity (ATK and RTK) rose around 15 per cent.



# INLAND TRANSPORT

## Czech railway's restructuring ignores trade union and social dimension

The problems accompanying Czech railway privatisation are analysed in a document written by Stanislav Dekoj, of the Czech railway union — part of the ITF-affiliated Czech Association of Transport Workers' Unions.

The document, prepared for an International Health and Safety Symposium to be held in Ghent in October 1993, points out the direct relationship between health and safety problems and deregulation.

Until 1990, Czech railways were 100 per cent state owned. Now they are being transformed into publicly-owned companies and share companies with state participation.

The government's proposals to privatise were prepared without consulting the trade unions. A month before they were due to be implemented, the unions were presented with the finished plans.

The social dimension was completely ignored, Dekoj explains.

The Czech union is also angry that no provision has been made for employee participation.

Workers to be made redundant are to be compensated with between two and five month's pay; redeployment and protection of long-term employees have not been considered, the union reports.

For those workers remaining, existing working conditions will continue to apply until a new collective agreement is negotiated.

The union began negotiating in May this year,

with a deadline of January 1994 for the implementation of the new arrangements.

"Czech railways is handicapped by a low level of technical equipment, backward technologies, and insufficiently equipped workplaces. Employees are low-paid, they work in the open air, long shifts, under bad hygienic conditions and are endangered by accidents. The basic holdings (mainly buildings) of Czech railways have depreciated by 30 per cent, and signalling systems by 60 per cent," says Dekoj.

In 1992 19,000 employees (of an original 120,000), whose average age was 36, left Czech railways. Remaining workers are covering shifts for up to 24 hours, and 300 working hours per month has become the norm. This kind of overtime work, and taking second and even third jobs has become common amongst employees, who are keen to subsidise their wages which have been eaten into by inflation.

"In a reaction to the past, when work was glorified, especially hard, manual work; today work is generally undervalued," says Dekoj.

"In the rising private sector of the economy in the Czech republic, only six per cent of workshop employees are organised in trade unions. The government does not have the power to control working conditions, the implementation of legislation, or to correct work safety problems. Employers, and employees too, are interested in high profit and both ignore the risks to health."

## World Bank official offers new thinking on transport policy

A high-ranking World Bank official offers a fresh angle on transport policy in a recent article, which would appear to contradict the bank's existing policy.

Ismail Serageldi, the bank's Vice-President of Environmentally Sustainable Development, comes to some wise conclusions in his article, "Environmentally Sustainable Urban Transport — Defining a Global Policy", published in *Public Transport International* (2-1993).

However, his opinions diverge to a great extent from the World Bank's traditional policies of structural adjustment which hit the poor hardest in an attempt to make developing coun-

tries rationalise their debts to the West.

"Overriding priority" should be given to the world's poor in transport planning, Serageldi insists.

### GLOBAL TRENDS CONTRASTED

He examines the imbalance between the developed world and developing countries, pointing out that whilst air quality is improving in the cities of the former, it is deteriorating in the latter.

Health problems due to pollution and traffic

Continued on page 16

# ...A new direction from the World Bank?

Continued from page 15

accidents are much more likely to have negative effects on a poorer population — accustomed to walking, than on a richer one, where people are more likely to use a vehicle.

## MORE TRAVEL MEANS MORE WASTE

Serageldi points out the problems of urban sprawl. Distances to travel reduce job opportunities for the poorest, and the further people have to travel, the more waste is generated.

A stark example is South Africa — Apartheid's relocation policies increased the average commuting distance for black commuters from 23 to 37 km between 1979 to 1990. This amounted to a real cost in government transport subsidies of US\$510 million.

Rail and bus are the most land-efficient modes of travel, he argues (underground rail's high cost making it prohibitive in much of the developing world).

Sprawling cities mean more cost in terms of infrastructure such as sewage, electricity and other domestic services — again affecting the poorer populations who tend to live on the fringes of the developing world's cities.

## US-STYLE PLANNING CHALLENGED

The North American example where cities have been designed for cars, has had contrasting effect — the middle classes have fled the cities leaving the poor in "urban ghettos". City centres are no longer alive after dark, pedestrians cannot cross roads safely, and no provision is

## Serageldi's strategy

Sustainable development of urban transport depends on:

- Restricting emissions from fossil fuels
- Restricting the consumption of resources, land, etc.
- Increasing the efficiency of energy resources
- Increasing the social and amenity value of urban areas

To achieve this, governments will need to use:

- Fuel pricing and differential taxation
- Cleaner fuels and technologies eg. engine design
- Promoting non-motorised transport — eg. bicycles
- Demand management eg. park and ride schemes, road pricing.
- Traffic management eg. effective busways, computer controlled traffic signals to provide priority for public transport
- Integration — roads and all transport modes should be under the same institutional responsibility, ensuring integrated transport planning and good land use.
- Community participation — public opinion is moving in favour of public transport and away from private cars and the congestion and pollution they bring. Politicians must consult and plan around the real needs of people.

made for cyclists or public transport users.

"Even if the problem of motor vehicle emission could be overcome by the introduction of non-polluting energy sources, the sheer numbers of vehicles and their resource and space requirements raise significant questions about the sustainability of the continued high usage of private automobiles" he insists.

## HALF OF WORLD WILL BE URBAN BY YEAR 2000

As the world urban population grows, so will the problem. By the year 2000, of 23 cities expected to have populations of over 10 million, 17 will be in developing countries.

"Very often it is the needs of the powerful middle class that prevail rather than the voice of the poor majority," says Serageldi, "community participation holds the key to environmental well-being and a better future for mankind."

**Air quality in the cities of developing countries is worsening, in OECD countries it is improving. This is more serious because of the conditions in developing countries:**

- Poor conditions of vehicles and lower-quality fuels
- High concentration of motor vehicles in few larger cities.
- A large proportion of the population is exposed to pollutants through living and moving in the open air. The poor, and children, are particularly vulnerable as they are more likely to walk.

## FUEL PRICING IS URGENT

He concludes that the most immediate priority is fuel pricing reform in both developed and developing economies. "Transit-friendly" cities, with greater density of housing and employment and satellite communities, will be needed in the industrialised countries.

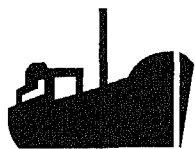
Developing countries should concentrate on the problems of health, and developing public transport; after fuel pricing, the priority should be the introduction of cleaner fuels and cleaner technologies.

The ITF welcomes this refreshing change of emphasis from a member of the World Bank fraternity, if not from the bank itself. We hope Serageldi's positive influence will soon be felt in Washington.

## Environmental impact of the motor vehicle

- Motor vehicles contribute 14-16 per cent of fossil fuel carbon dioxide and 25-30 per cent of nitrogen oxides.
- In 1985 OECD countries accounted for 76 and 78 per cent of global vehicular outputs of carbon dioxide and nitrogen oxides. Eastern Europe contributed 8 and 10 per cent respectively, and Africa, Asia and Latin America together contributed 16 and 12 per cent.





# SEAFARERS

## ITF collective agreement for offshore unit workers finalised

The ITF has finalised a model collective agreement for offshore personnel, including divers, for application to Flag of convenience offshore operations.

The new collective agreement — like the standard ITF world-wide collective agreement for Flag of convenience shipping — seeks to introduce minimum standards in working and social condition for all offshore personnel on Flag of convenience installations.

The agreement was finalised at the ITF Standing Committee on Offshore meeting in Fremantle, Western Australia from the 10th to 12th of August. Over 30 delegates from Australia, Denmark, India, Indonesia, Italy, Norway, New Zealand and the United Kingdom attended the meeting which was chaired by ITF Assistant General Secretary Åke Selander.

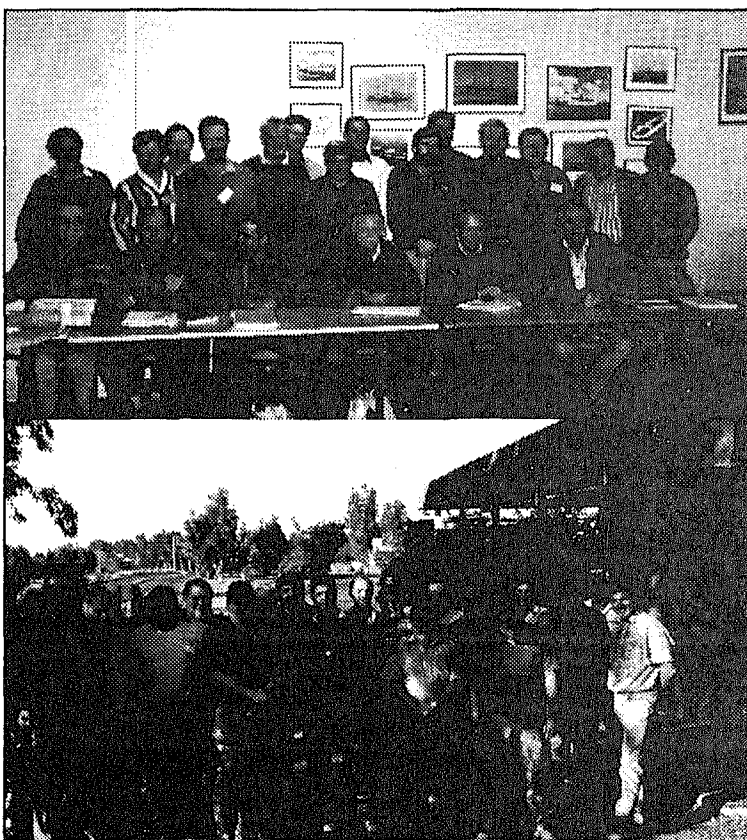
The Committee called upon the ITF Secretariat and all affiliates to lobby the International Maritime Organisation (IMO) to adopt international standards of competency for all workers engaged in drilling units and other mobile offshore units. The Committee expressed concern about the potential exploitation of Indonesian citizens working on offshore units in the Timor gap between Australia and Indonesia.

The Committee urged the Australian government to ensure that no collective agreement or employment contract be entered into which is less favourable than comparable Australian conditions.

The Committee also expressed its outrage at the gross violation of human and trade union rights in Burma and expressed particular concern at the abuse and maltreatment of Burmese seafarers by some shipowners and by the illegal Junta. It called upon all ITF affiliates to act to discourage further oil exploration on the Burmese continental shelf. The Committee noted that foreign multinational oil companies such as Texaco, Premier, Nippon, Amoco and Total are already involved in the Burmese continental shelf. The Committee agreed with the Seafarers' Union of Burma that further offshore oil exploration on the Burmese continental shelf must be opposed, as it merely helps to sustain the illegal regime.

The Committee reviewed the ITF policy on continental shelf state and flag state jurisdiction, and expressed the view all offshore operations should benefit the continental shelf state

and that maritime offshore units should operate under genuine national flags with national crews in order to ensure safe operations. To further this objective, all ITF affiliates present committed themselves to only releasing units which were being transferred to other areas of operation with a prior undertaking from the owner, operator or charterer to return the unit to the national flag state affiliates concerned under an ITF acceptable collective bargaining agreement.



Pictured above are participants in the recent ITF Flag of convenience campaign seminars in Western Australia. The seminars involved full-time officials, port delegates and rank and file members from the three ITF-affiliated maritime unions in Australia. Delegates were provided with details of the ITF Flag of convenience campaign with a view to intensifying activities in important bulk ports in Western Australia. The ITF was represented at both seminars by ITF Foc co-ordinator in Australia, Roger Chapman and by ITF Senior Section Assistant Jon Whitlow. On top is pictured the Fremantle seminar from the 13th to the 14th of August and below is the Dampier seminar from the 16th to the 17th of August. Only a selection of the seminar participants are featured in the photographs, since many people were attending as work patterns permitted, therefore they were not able to attend at every moment.

# Underpaid crew on food aid ship receive \$60,000

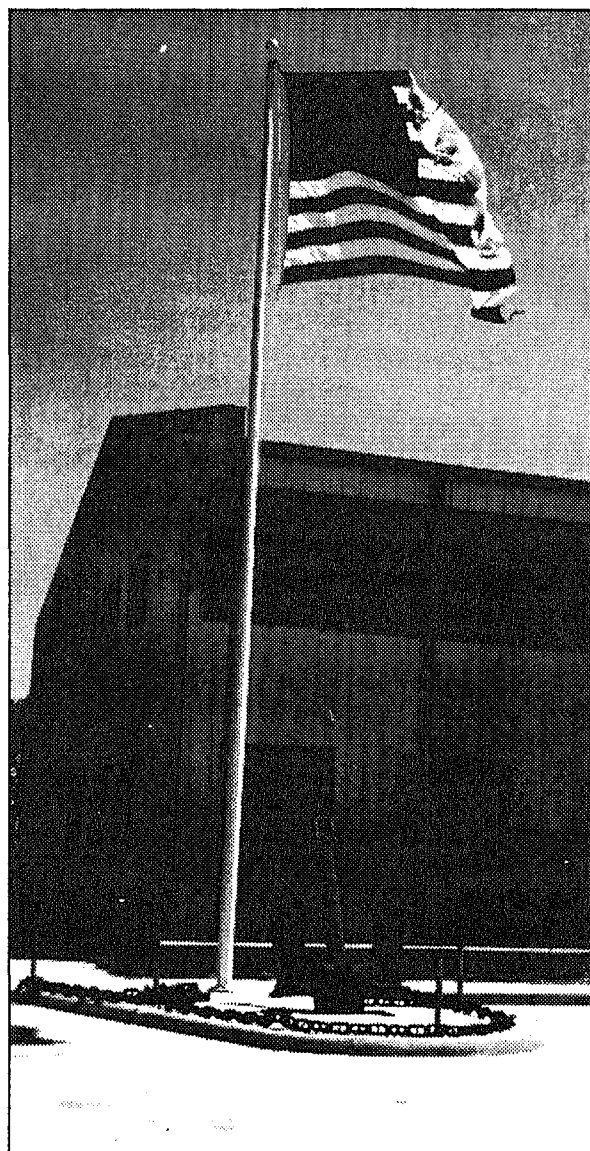
The 23 Filipino crew of the Greek-owned Maltese Flag of convenience *Freedom Venture* arrived in Bremen, Germany in August. For many months the crew had been receiving wages well below International Labour Organisation minima. As is so often the case with such ships, numerous defects were also detected by the port state control authorities. The ship was detained until the defects were repaired on August 20th. The ship's cargo of 11,000 tons of flour, destined for Mombasa, was humanitarian delivery of EC sponsored World Food Programme aid. ITF Inspector Ali Memon conducted negotiations on behalf of the crew with the Master and the Greek owners. After eight days of negotiations, Memon secured agreement for wage back payment amounting to US\$60,000. This represented unpaid wage differences for a period of nine months work. "I would have arrested this ship, put it in chains, if these back wages would not have been fulfilled," said Memon. But in the end the crew were paid their outstanding wages and an arrest was not necessary.

## \$39,000 FOR CREW IN HOUSTON

The Belgian owned St. Vincent Flag of convenience *Scheldemond* was arrested in Texas, USA in July following an unpaid wages claim by three seafarers. ITF Inspector Charlie Stewart came to the assistance of the crew members in the port of Houston, Texas when they arrived on the 6th of July. The vessel was in an appalling condition, and was caught by the Coast Guard illegally discharging oil. The shipowners were fined for this illegal act. With Stewart's assistance the three crew member received a total payment of US\$39,000. The ship departed Houston on the 19th of July.

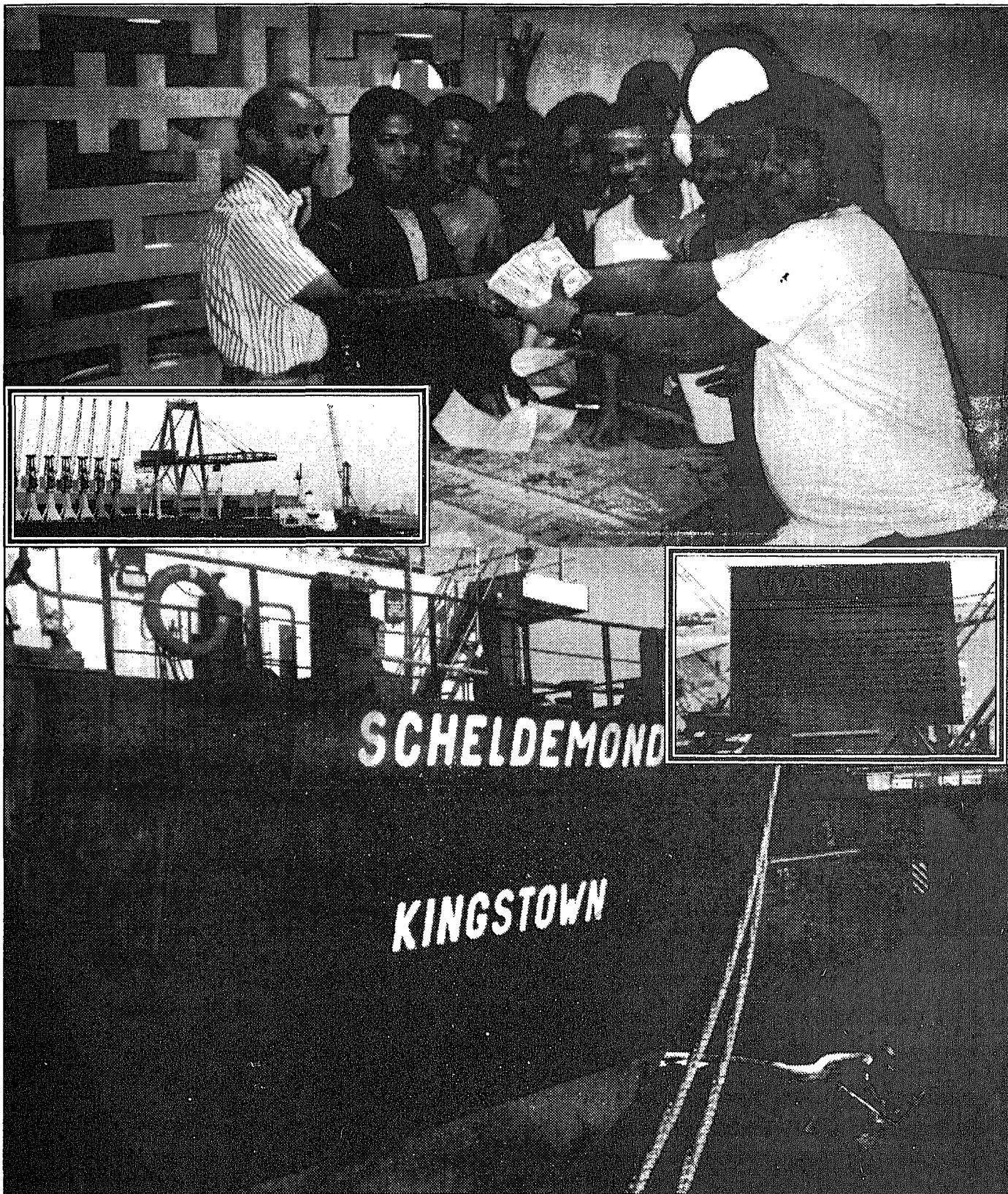
## MURDER ON THE NORTH SEA?

A Russian seafarer from the Antigua flag *Bärbel* has been charged with the murder of his captain and fellow crew men. The *Bärbel* was on its way from London to Denmark when it went missing on the night of Sunday August 15th. The ship was declared missing the following day, and following extensive search action by the Danish authorities the ship was discovered floating off the Danish coast without any crew on board. A Danish fishing vessel found two inflatable life-rafts, one of them empty. In the other a Russian crew member was found alive. The remaining four Russian crew and German Master were not found. The Russian told the rescuing crew and authorities that a fire had broken out on the ship. He claimed that when the crew tried to leave the ship on inflatable life-rafts, something "went wrong." The sole survivor claimed that



Pictured here is the new building for seafarers located at the Barbers' cut container docks in Houston, USA. The ITF Seafarers' Trust contributed US\$75,000 towards its construction.

the rest of the crew had slipped when entering one of the life-rafts and had drowned. Subsequent investigation, however, indicates another story. Policemen found traces of blood and signs of a violent confrontation that someone had tried to cover up on board the ship. Small fires were laid on at least three places and a considerable amount of diesel oil was distributed all over the ship. All fires put themselves out. The 28 year old seafarer-survivor from Kaliningrad was found in his life-raft with a pillow and blanket, all the ship's papers and DM60,000 in his pockets. Following extensive interrogation of the seafarer by the Danish police, charges of murder have been laid against the seafarer on the 19th of August.



Above, the *Freedom Venture* crew celebrate their backpay award with ITF Inspector Ali Memon, below, the *Scheldemond*, with the arrest notice inset.

#### ITF OPENS ROSTOCK OFFICE

A new ITF Flag of convenience office will be opened in Germany on the 2nd of September in the port of Rostock, in former East Germany. Newly appointed Inspector Hartmut Kruse will take on the role of ITF inspector in the port. Kruse, a former seafarer, was employed from 1976-1990 as a radio officer and electronics engineer working for Deutsche Seereederei in

Rostock. Since May 1992 Kruse has been employed as the Secretary for Maritime Section Traffic and sea ports in the ITF-affiliated ÖTV regional administration in Rostock. The ITF is happy to further extend its activities in Germany — already one of the most active country in the Flag of convenience campaign — and we are sure that ITF inspector Kruse will provide seafarers' calling in the port of Rostock with a helping hand whenever they need it.



# New bareboat charter rules for UK flag will allow Foc-type operations



The British government is to allow bareboat chartering of vessels into the UK flag. The Department of Transport has announced plans to introduce dual registry arrangements that will permit UK registration of bareboat chartered vessels from the end of this year. These arrangements will apparently allow shipowners to operate with flag of convenience type conditions (low wages and non-domicile seafarers) whilst still flying the UK flag. In so far as this system allows non-British shipowners to fly the British flag, the ITF will consider such vessels to be Flag of convenience.

The German flag fleet has dropped to less than half of the total German owned tonnage in the first half of this year. Figures from the Association of German Shipowners (VDR) show that the German flag fleet has declined by 47 vessels. On July the 1st this year, the German flag fleet numbered 282 merchant vessels, down from 329 vessels in January. Of the 282 German flag vessels, 187 were entered into Germany's second register. The VDR says that German owners operated 388 vessels under a variety of foreign flags. At the beginning of the year only 354 vessels were operating under foreign flags. This means that the German flag share (even including the second register) has dropped to 48.4 per cent from 52.2 per cent last January.

The US company which owns and operates the Liberian Flag of convenience register and the Marshall Islands Foc - Reston Virginia based International Registry (IRI) - has been sold. The original owner of IRI, US insurance group USLICO, has sold the register business to the management of the company. USLICO has apparently made an after gain profit US\$10,900 million from the sale. The management buyout

was led by Archie Stuart, Clay Maitland and Tony Guiva. The continuing political turmoil in the Liberian state has had little if no effect on the Liberian flag of convenience register, which in any case contributes virtually nothing to the people of Liberia. IRI is apparently still interested in purchasing the Gibraltar flag of convenience. Perhaps one day all flags of convenience will actually be owned by one American company.

A Romanian court has blocked the sale of state shipping company Petromin to Greek buyers Forum Maritime - a company already entangled with the ITF over employment of Maldivian seafarers at double book-keeping rates (see ITF News July 1993). The potential privatisation of state owned Petromin had, in fact, degenerated into a major embarrassment for the Romanian government. The district court in the Black Sea port of Constanta has overturned its previous decision allowing the sale of Petromin. The state prosecution had requested this ruling. The original plan had been to sell 51 per cent of Petromin to Forum Maritime for US\$350 million which would have been one of the biggest privatisation deals in Eastern Europe. But the announcement of the scheme in June was greeted with widespread criticism not only from the ITF. Romanian politicians stated the fleet was a strategic asset that should not be sold. Opposition politicians also maintained that the valuation of the 90 ship strong fleet was too low.

Singapore's Merchant Fleet has reached a total of 2,097 ships with 10,000 grt last year, according to the Marine's Department's annual report. This was a 14.5 per cent increase in number and 12.2 per cent increase in tonnage. According to the Ministry of the Marine the bulk of this growth has come from locally-owned companies.

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In what can only be described as an ominous reference the Trinidad and Tobago Minister of Shipping Colm Imbert has said that the country has an important future as a potential shipping registry. In announcing a formal marine framework for the government the Minister appears to be indicating that his government would be interested in yet another Flag of convenience. There appears to be no reference in his deliberations to the need to develop a genuine Trinidadian merchant fleet owned, operated and crewed by citizens of his own country.