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Brazil: Sarney Government Seeks Truce With Labor Unions To Strengthen Position Vis-a-vis Foreign Creditors

by John Neagle
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On Dec. 18, the Brazilian government announced it has initiated negotiations with major labor unions and employers to establish a three- to six-month truce in a bid to bolster Brasilia's bargaining position at future meetings with foreign creditors. Labor Ministry officials reported that the unions are prepared to negotiate a truce as long as economic recession is avoided, and wage increases automatically follow consumer price level inflation. After a 12-hour cabinet meeting the longest in the country's history President Jose Sarney asserted that "regardless of the restrictions made by the government, I can guarantee...that Brazil will not enter a process of economic recession."

The three major labor union confederations the Workers General Confederation (CGT), Central Union Confederation (CUT) and the Workers Independent Union (USI) announced they would deliver a final response to the government's request on Jan. 14. Meanwhile, CGT leader Joaquin dos Santos Andrade said charges against union leaders resulting from the Dec. 12 general strike must be suspended before CGT would engage in a dialogue with Brasilia. CUT leader Jair Meneguelli told reporters that workers were unwilling to participate in negotiations unless the government revokes its decision to increase prices on some 500 consumer goods, and until the foreign debt issue is included in discussions with labor unions. He said, "Unless the large amount of money earmarked for debt payment is reduced, the government has nothing to offer workers." (PRENSA LATINA, 12/18/86)

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