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Mexico: Workers At Altos Hornos Steel Complex On Strike; Notes On Government Plans For Steelworks

by John Neagle

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The two government-run steel plants (Altos Hornos I and II) in Monclova, Coahuila state, account for more than 40% of Mexico's steel output. Last year, steel production surpassed seven million tons. As part of a \$700 million modernization program to be financed in part by the World Bank and Japan's Export-Import Bank, the Mexican government has committed itself to reduce the complex's combined work force of more than 23,000 by 20% and to raise worker productivity by nearly 40%. Supporters of the cutbacks point to the case of Fundidora Monterrey, in which 12,700 jobs were lost after the government shut down an obsolete steel plant in Monterrey in 1986. Monclova Mayor Benigno Franco Coronado was cited by the New York Times as saying, "What is being done may be painful and imply sacrifices, but it gives long-term security to our city. What good would it do to go on as we are for another two or three years and then have to close down altogether?" The 19,000 workers in Plant I reluctantly approved layoffs of 4,458 of their number in three phases over the next year. As of the third week in June, 1,742 Altos Hornos employees had been laid off. Workers at Plant II, which went into operation in 1976, claim no such modernization is necessary at their workplace. Nearly 4,000 workers at this plant went on strike May 22 to protest what they described as the "mutilation" of their contract. On June 24, strikers at Plant II and management announced that negotiations had been called off, result of the failure of both sides to make concessions. Altos Hornos general manager Eugenio Laris Alanis said the company was capable of resisting the strike "as long as necessary." (Basic data from New York Times, 06/22/89; Notimex, 06/25/89)

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