9-28-1989

Ecuador: Government Sends In Troops To Break Oil Workers Strike

John Neagle

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Ecuador: Government Sends In Troops To Break Oil Workers Strike

by John Neagle
Category/Department: General
Published: Thursday, September 28, 1989

On Sept. 27, Ecuadoran President Rodrigo Borja declared a state of emergency and sent in troops to break a strike by oil workers that shut down the flow of oil from fields in the Amazon. About 800 workers went on strike to demand $45 million in severance pay from Texaco, which was to transfer management of a vital pipeline to state-owned PetroEcuador on Sept. 24. Texaco has managed the pipeline in a consortium with PetroEcuador, which produces two-thirds of Ecuador's daily 300,000 barrel output. The state-owned company will be assuming management of all Texaco's operations by July 1990. A PetroEcuador spokesperson said the strike had paralyzed the flow of oil from the fields to the Pacific port of Balao, but that production was normal and crude was being stored in the fields. A spokesperson for the union representing Texaco employees said troops had taken over installations in Balao and two of five oil fields operated by the consortium. The management transfer provoked a dispute over the status of a contract Texaco negotiated with its Ecuadoran employees last year. The oil workers insisted that under the contract they were entitled to severance pay from Texaco before PetroEcuador took over. The Labor Ministry declared that Texaco was liable for the severance pay. Texaco said the consortium should pay the severance but that it was consulting with its US headquarters. In his statement, Borja accused Texaco of negotiating "exorbitant" severance benefits without PetroEcuador's approval, and of agreeing to a "pernicious" system of indexing wages to inflation "which the Ecuadoran state neither accepts nor assumes." (Basic data from AFP, 09/27/89)

-- End --