

*Hands Across the Border:  
the National Administrative Office (NAO) Hearing on the  
UE-FAT Complaint against Itapsa-Echlin*

Jeff Favolise

December 15, 1999

**Abstract**

This case study is based on the March 23, 1997 hearing on a submission to the National Administration Office (NAO) regarding workers' right to organize and conditions at the Echlin Corporation's ITAPSA plant in Mexico. This case exists as a snapshot of a labor conflict within the context of globalization and free trade.

There exists both problems and potential for strategic cross-border labor alliances involving workers in Mexico and the US. Students are encouraged to explore the ability of this border strategy to act as a model for expanding the vision of transnational movements among workers around the world in an effort to affect change in legislation or enact policies to address the social effects of globalization. Issues of gender, political economy, global economic development, and corporate finance are raised as representatives of movements vie for power. Set at an NAO hearings with individuals from the Mexican government, Echlin, and the UE-FAT/STIMAHCS labor coalition present, each party must address their concerns while considering their place in the global community. This case highlights the coalition between the independent Mexican Union of Workers of the Metal, Steel and Iron Industry (STIMAHCS), which is an affiliate of the independent Mexican Authentic Front of Workers (Frente Autintico del Trabajo, or FAT), and the United Electrical, Radio and Machine Workers of America (UE).

**Setting and Background**

Maria Trinidad Delgado, aged well-beyond her twenty-four years, fidgeted in discomfort in the high-back leather chair. Her calloused hands slid back and forth across the smooth mahogany table. Although it was only eight in the morning, a few months ago at this time in Mexico she would have already been at work for three hours, in perpetual motion and fighting to keep up with the rapid pace of the conveyor belt. A smile from Benedicto Martinez, STIMAHCS leader and member of the FAT's three-person presidency who was sitting at her left, calmed her restlessness. To her right sat UE Director of Organization Bob Kingsley. They all shared a mutual understanding of the experiences that had brought each one of them to the National Administrative Office (NAO) this morning. The calm and decor of the conference room in Washington D.C. was a far cry from the factories in the maquiladora zone of Mexico, where Maria worked for the last thirteen years (through two pregnancies) until she was fired for FAT union organizing. Sitting with Benedicto and Bob, Maria felt secure (Rosen and Smucker). She remembered the poem that one of her new UE friends wrote:

HANDS ACROSS THE BORDER  
WOMEN UNITED AS ONE  
WORKERS COME TOGETHER  
TO SEE WHAT CAN BE DONE.

WE DON'T ALL SPEAK THE LANGUAGE  
BUT A SMILE CAN SAY MUCH MORE  
EXTENDING A HAND IN FRIENDSHIP

HAS OPENED MANY A DOOR.

NO MATTER WHAT OUR COUNTRY  
OUR CULTURE OR HOW WE LIVE  
AS WORKERS UNITED FOR A CAUSE  
WE ALL HAVE MUCH TO GIVE.

BORDERS AND BARRIERS WILL COME DOWN  
AS WE STAND STRONG AND TALL  
IT STARTS WITH JUST A FEW OF US  
BUT WE'LL TAKE DOWN THAT WALL.

LET HISTORY REPEAT ITSELF  
AS OPPRESSION IS OVERCOME  
WITHOUT BORDERS AND BARRIERS  
AND WORKERS TOGETHER AS ONE. (UE Intl. Sol.)

Maria leaned back in the chair and thought about her co-workers enduring the conditions in the ITAPSA maquiladora, owned by the Connecticut-based multinational auto parts manufacturer, Echlin. Silently, she practiced her testimony and took inventory of her experiences and her co-workers' complaints - the asbestos dust, the deafening noise, the burning odor of solvent and chemicals. She remembered neighbor and coworker, Joaquin Hernandez Alanis, who called after Maria as she was leaving for Washington D.C., "Make sure you tell them.... in my department, there's a lot of oil and water on the floor and people slip and get hurt. The company only gives us one cloth face mask every ten days, and plastic gloves. The machines are always breaking down." Other common complaints included: "It seemed like the supervisors think we'll only work if they yell and swear at us all the time." Unbelievably, thought Maria, it was all true; We suffered a lot of harassment from the supervisors. When we fought back, they would give us more difficult work, scold us for no reason, or force us to work a different shift. Indeed, the one time I talked back to my supervisor, he pulled me to his office and assaulted me. From that day, I became determined to win health and safety protection, respect and dignity, and end the domination of "official" government and company-controlled unions at the plant.

The grassroots activism that emerged in the plant was initially unorganized (La Botz). "In the early days we had no one to advise us," Delgado had explained to Bob as they left the hotel. "We didn't know our rights or anything. There were two delegates in the factory from the corrupt government-dominated Confederation of Mexican Workers (CTM). When we complained to them, they would tell us to calm down and be thankful we had such a good job." (Rosen and Smucker) Maria continued, "Primarily, we were tired of health and safety problems, abusive managers, and sexual harassment." Indeed, the low wages and arbitrary pay structure were also concerns, but they were of secondary importance to the issues of health and survival.

When the covert organizing effort began, the workers knew it was going to be a long demanding journey. However, they were still astonished at the plant managers' level of resistance. Maria remembers both the hope and fear in the eyes of the first small group of workers who met with STIMAHCS and FAT representatives late one night in her house. Co-workers were invited to join the discussions one or two at a time. Eventually, FAT believed they had gained the support of 80% of the plant's workers and the time had come to hold an election that would give the STIMAHCS branch of FAT the right to represent the workers. STIMAHCS filed a petition with the Mexican federal Mediation and Arbitration Board for an election. The punishment for this bold gesture was severe.

As the Mexican Labor News and Analysis reports, managers at ITAPSA-Echlin and members of the CTM, with the cooperation of the federal labor board, attempted to identify and fire as many FAT supporters as possible. Workers endured torturous speedups and work-loads were increased in departments believed to be especially sympathetic to the FAT and STIMAHCS cause. The factory managers began a vicious rumor and smear campaign as psychological warfare against the independent union and the scheduled August election was postponed at the last minute. Workers who came to the election wearing FAT buttons or carrying the wrong signs were fired. By the date set for the new elections, fifty-two workers (about 20% of the plant's total workforce) had been discharged for unauthorized union activity (Rosen and Smucker).

On the morning of September 9, 1997, the day of the rescheduled elections, workers arrived to find that, during the night, ITAPSA-Echlin and the CTM had bussed in 100 members of a Mexico City gang called Los Chiquicos (the Little Guys). These armed thugs were put on the payroll, given false worker ID cards so they could vote, and instructed them to patrol the factory grounds armed with lead pipes, shovels, and rifles (Rosen and Smucker). Further, seventy night-shift workers had been held against their will for seven hours after their shift to vote for the CTM.

Workers were forced to publicly voice their votes in front of the thugs and their managers. Workers and their families were threatened with violence. At the end of the day, the government representatives announced that there had been 172 votes for the CTM and 29 for STIMAHCS (Smucker and Livingston).

### **Historical Context: Globalization**

The existence of the ITAPSA-Echlin plant represents well-established patterns of foreign direct investment by transnational corporations and the broader trend of globalization. Transnational corporations' desires to continue their rates of profit and growth and compete with the unified Pacific and European economic fronts. The North American Free Trade Agreement (NAFTA) exemplifies neoliberal development principles and is an effort to legitimize and formalize the already "'self-supporting system' of capitalist accumulation at the international level" (Teepie, 67).

Neoliberal economic policies developed from the global perspective of the 1970s and 1980s and corporate pressure to survive by competing with other international businesses. During this period, capital was further denationalized and corporations became integrated into an international production process within the global economy (Teepie, 55). Neoliberalism "emphasizes privatization; production for export; reduced public investment in health, education, and social services; reduction or elimination of barriers to foreign investment; weakening labor and environmental regulations; and fiscal and monetary policies that favor the needs of transnational capital" (Kamel and Hoffman, 3). Accordingly, NAFTA has enabled the establishment of over two thousand export-processing plants (maquiladoras) like ITAPSA-Echlin in Mexico. Nearly all are foreign-owned (Bandy).

Proponents of neoliberalism cite opportunities for the increase in corporations' profits, access to previously under-tapped markets, and potential for increases in employment and economic growth. Influential corporations desire access to all North American markets without the bothersome obstacles of government-imposed tariffs, competition with government-operated industry, restrictive regulations on investments, or pesky labor guidelines. Neoliberalists cite the evolution of market systems as further justification for the pursuit of deregulation. However, some critics of neoliberal policy believe the highly value-added jobs will not sufficiently move to developing countries. Therefore, they argue that neoliberalism represents a push to further institutionalize the global division of labor.

The development of the IMF, World Bank, and Trilateral Commission encourage and enable corporations to look to foreign opportunities for expansion and out-sourcing under the auspices of development. In addition to NAFTA, the exclusion of textile and apparel clauses from GATT and tax incentives and supplements by the US Agency for International Development all encourage

corporations to out-source and engage in industrialization efforts in developing countries (Cardoso and Faletto, 181). At the same time, in an effort to modernize and with the "help" of austerity policies, foreign governments engage in a "developmentalist populism" that features the "incorporation of the masses into the production system" (Cardoso and Faletto, 130) and the courting of foreign investment.

### **Role Play**

The setting for this hearing is the National Administrative Office (NAO) in Washington, D.C. The North American Agreement on Labor Cooperation (NAALC), a pact signed by the United States, Canada, and Mexico as a side agreement to NAFTA, required that each nation establish a National Administrative Office to facilitate NAFTA's implementation (NAO Office Home Page). The US NAO provides information to the public on labor law in Canada and Mexico; provides information about US labor law to the Canadian and Mexican NAOs, to the Secretariat of the Commission for Labor Cooperation established by the NAALC, and to other bodies set up under the NAALC to analyze such matters; serves as point of contact for other government agencies, for the Mexican and Canadian NAOs, and for the Secretariat; receives public submissions regarding labor law matters in Canada and Mexico and serves as the official review agency in the United States; and coordinates trilateral labor cooperative activities (NAO Office Home Page: Functions).

The NAO is limited in its scope of power to prevent and punish labor violations or settle disputes and technical in its adherence to specific labor laws. Following the official submission of a charge that one party demonstrates a persistent pattern of failure to effectively enforce its occupational safety and health, child labor, or minimum wage standards, an arbitral committee may be established. The ultimate outcome of the dispute settlement process may be a monetary in nature and/or a suspension of trade privileges. The cooperative activities mentioned above include abstract initiatives such as holding workshops and training programs, facilitating the exchange of ideas, hosting seminars on effective programs to eliminate safety and health hazards, and making recommendations to enhance labor conditions (North Am. Agree Labor Coop.).

Labor activists have pursued various strategies to address the effects of globalization. They have proposed alternatives and policy changes to NAFTA and other international trade agreements, initiated strikes and demonstrations, pursued lawsuits, and campaigned for new legislation (although enforcement of laws is problematic). The UE decided to submit a formal complaint to the NAO on behalf of FAT and the ITAPSA-Echlin workers. While they understand the limitations of the NAO, it is one of the only forums available for addressing concerns. Further, a favorable decision from the NAO may provide valuable political precedent for future legal action. Three parties are in attendance for this particular NAO hearing:

\* Maria Trinidad Delgado (former ITAPSA plant-worker and now a union organizer). She is accompanied by other spokespersons representing the alliance between the United Electrical, Radio and Machine Workers of America (UE) and the Mexican Union of Workers of the Metal, Steel and Iron Industry (STIMAHCS). STIMAHCS is an affiliate of the Authentic Front of Workers (Frente Autintico del Trabajo, or FAT).

\* John, an attorney representing the Echlin Corporation's board of directors.

\* Carlos, a representative from the Mexican federal government. Carlos is a member of the Institutional Revolutionary Party (PRI), Mexico's perpetually-ruling party.

NAO officials cheerfully begin the meeting by encouraging the participants to approach the hearing as an opportunity not merely for an immediate settlement but as a step toward the formation of long-term solutions; mutual understandings; and a "free space" characteristic of a strong democratic civil society that would mediate among the government, transnational corporations, and the private sector. (Barber 69-70). One NAO official rises to declare, "To reach a lasting solution, we must work toward establishing a free space to build relationships in an effort to practice and nurture democratic attitudes and beliefs and share power. Let this be the beginning of a universally accessible discourse and effort to reach common-ground so we are all working together as active, responsible, and engaged democratic citizens." (Barber, 37)

### **Maria Trinidad Delgado: FAT/STIMAHCS-UE Solidarity**

While we commend your desire to establish a free space and strong democratic civil society, we also must remind everyone present that, rather than acting as a symbol of freedom, NAFTA and other neoliberal policies represent failures of democratic principles and serve as dramatic examples of class-based economic and political domination. The groups most affected by neoliberal policies have been severely marginalized in political debate or have had their voices completely silenced. Ratified and maintained without proper public participation and review, NAFTA policies are not representative of the interests of many citizens and appear to "abandon the people for the 'whims of the free market'" (Warnock, 185). These developments undermine the communication, empowerment, inclusiveness, and public and civil voice that are traits of a strong democratic civil society (Barber). The successful efforts of the bourgeois to protect their neoliberal interests contradict fundamental characteristics of a democratic society: majority rule and the common citizens' possession of political authority rather than power vested in a privileged class. These policies represent the failure of governments to both meet the basic needs and represent the demands of their working-class constituents.

That being said, I now wish to discuss the nature of the FAT/STIMAHCS-UE cross-border solidarity (a shining example of a "civil society") and explain our specific complaints and broader concerns regarding the working conditions at the ITAPSA-Echlin plant.

The UE is the natural alliance partner for the FAT. Founded in 1936, the UE is an active independent union (not affiliated with the AFL-CIO) composed of 40,000 members. It represents hundreds of occupations. When other unions were calling for people to "Buy American," "the UE focused attention on US corporate investment overseas... [and] refused to blame Mexican workers, recognizing that such a condemnation only allowed US companies to avoid responsibility" (Alexander and Gilmore, 258). The UE prides itself on being a rank-and-file union and its slogan is "The members run this union;" "'Rank-and-file' is defined as 'those who form the major portion of any group or organization, excluding the leaders and officers.' In UE, the term 'rank-and-file unionism' simply means it's the members who run our union... in a democratic and collective manner." (Who We are at UE)

For the Echlin case, we are very proud of the UE for orchestrating an alliance that includes the AFL-CIO, the Canadian Labor Congress, the newly formed National Workers Union (UNT), and the United States Steel Workers of America (USWA). Other organizations involved are: Mexican Telephone Workers (STRM), Workers of the National Autonomous University (STUNAM), Airline Service Workers' Union, Independencia, UNITE! (US Textile and Garment Workers Union) (La Botz #2), the Teamsters, Canadian Auto Workers, Union of Needletrades, and the United Paperworkers International Union.

I must admit, members of FAT/STIMAHCS were initially apprehensive with the idea of developing an alliance with any US organization, regardless of their stance on labor. We did not believe that US unions could behave unselfishly; the US represents imperialism and, in the past, US unions have been very protectionist. Further, we were pleased to discover the UE was not directly

connected to the AFL-CIO. The CIA division within the AFL-CIO has had a longstanding relationship with the CTM and other PRI unions and has violently dissolved Latin American organizational efforts under the auspices of a "War on Communism" (Ross, 69).

Personally, I am very concerned with women's issues. Although the ITAPSA-Echlin plant is primarily heavy industry, there are still many women working there and I also worry about my companeras in other maquiladoras. Women are bearing a disproportionate burden of the exploitative labor conditions in Mexico. Further, they face sexual harassment, pregnancy-based discrimination, and other unique obstacles (Kamel and Hoffman, 25). The effect of economic policies on the lives of border-women proves the social impact and larger implications of globalization: "These changes imply significant restructuring of both household and societal power relations" (Kamel and Hoffman, 24). Violence against women can be considered a reaction to these changes and to a perceived increase in autonomy that women receive through employment (Kamel and Hoffman, 26). It is no surprise that domestic violence occurs with alarming frequency in the maquiladora zone.

The involvement of women in the maquiladoras does have potential, as it places them in a unique position to effect change: "Much of the organizing done by women moves beyond the boundaries of old models, particularly when it comes to union campaigns. Women's organizing efforts seek to erase artificial lines between workplace, community, and home by drawing upon the connections and interrelationships among the different facets of their lives." (Kamel and Hoffman, 26) Fortunately, the UE is not a patriarchal union and they work with FAT to educate and train women.

The UE-FAT alliance exemplifies a new movement toward international solidarity. The mural project symbolizes this strong relationship (See Appendix). We are discovering that cross-border alliances among workers, which focus on sharing experiences, expertise, and providing moral support during difficult organizing efforts, have potential to counter the lack of labor rights clauses in NAFTA and similar agreements. Bob Kingsley, UE Director of Organization, frequently asserts, "We formed this alliance in the belief that we cannot allow workers in our three countries to be pitted against one another in a race toward the lowest labor standards. Instead, we intend to use the strength of union solidarity across national borders to protect ourselves from corporate exploitation across those same national borders" (Alexander and Gilmore, 261). In order to challenge powerful multinational corporations whose leaders are influential in establishing international trade standards, these cross-border alliances must work to reach beyond common stereotypes. In his study on resistance to neoliberalism in the borderlands, Sociologist Joe Bandy believes,

"Only through cross-border bonds of solidarity and coordinated transnational pressure has it been possible to exert leverage against increasingly mobile and exploitative transnationals, to reduce the threat of capital flight and consequent job blackmail, and to fill the gaps of regulatory oversight vacated by liberalized governments. The historic bi-national character of the border has enabled a very localized sense of global economic processes, and thus local communities possess a deepening consciousness of global citizenship." (Bandy)

While they cannot directly fund one another, the unions work to educate their members about the languages, culture, ethnicity, and working experience of their counterparts across the border. They must acknowledge a common experience rather than US unions blaming Mexican workers for job flight or the decline in real wages. Workers within the United States (and abroad) may lose either their jobs or their organizational rights and leverage. As the labor market becomes global and the threat of job exportation grows, workers in Mexico and the US are likely to suffer low wages and poor conditions. Many global economic policies no longer include the adequate protection of labor or the national compromise between workers and capitalism that was marked by early Fordism (Teeple, 62).

Employment rates may be stable, but jobs are paying less and many workers are suffering in a "silent depression" (Film: Minimum Wages in the New Economy). Automation, value-added production process, and just-in-time production have had a substantial impact on labor and union power (Reich and Sivanandan). The decrease in the bargaining power of labor in the US, the exploitation of female and male employees in maquiladoras, and forced union busting in Mexico make it especially important for unions to understand the experiences of their counterparts across the border.

Alliances work due to educational efforts to raise consciousness and a focus on community leadership training. This education has also highlighted the similar goals among unions (Bandy). Further, a mutual respect and trust (Alexander and Gilmore, 264) has developed out of personal meetings that foster solidarity (Bandy). US unions are working to establish a new global vision. The AFL-CIO is currently rethinking its policies:

International solidarity is a two-way street. Unless workers abroad see the pursuit of 'American workers' self interest' as a reflection, at least partially, of their own interests, our international efforts will amount to little more than diplomacy and short-term coordinated actions. This is easier said than done, though. At first glance, and despite two centuries of interaction among labor organizations and working people from different countries, the development of the working class and the labor movement has been shaped by different national economic and political institutions, different trade union paths and experiences. International competition among companies and governments often turns workers in one country against workers in another country. (Figueroa, 306)

US unions are weakened because factories can simply move across borders to escape high wages and benefits packages that their former unions have negotiated. Therefore, by helping Mexican workers to organize, US unions they take away options for corporations.

The working conditions in the Echlin plant and the lack of enforcement are also representative of the conditions in many border factories (Kamel and Hoffman, 2). Worker health and safety is discounted and rights of organization are ignored. Wages are often lower than the cost of living. Clearly, globalization means a suppression of human rights for market forces (Film: Globalization and Human Rights). My friend who works in another maquiladora commented, "We bring tapes in from Japan and assemble cassettes. They say we work together, but this is a lie. Everything is done on machines and assembly lines. The speed is tremendous. The twenty thousand pieces of machines work us, we don't work them." (Bandy) I have carpal tunnel syndrome and I used to suffer incredible exhaustion after work. I have been lucky not to get my hand caught in the machines. However, some of my co-workers have suffered permanently disfiguring injuries (Bandy). To the NAO, I offer the following specific complaint regarding the ITAPSA-Echin plant:

Submission No. 9703: ITAPSA contains high level of airborne contamination including asbestos dust and fumes from solvents; high noise levels; inadequate ventilation; inadequate personal protective equipment (PPE); no health and safety plan; lack of a lockout/tagout program for machinery; malfunctioning machinery; inadequate fire prevention measures; defective electrical wiring; inadequate medical exams the results of which the workers did not have access to; inadequate labeling of chemicals; and no written safety information [or comprehensive training programs] provided to workers. (La Botz #3)

The struggle at the ITAPSA-Echlin plant is representative of the common experience of Mexican workers in the Maquiladora zone. NAFTA and the neoliberal movement have allowed companies to search for the lowest wages and the worst working condition possible in an effort to raise their profits. NAFTA "was touted as a way of counterbalancing the impact of the maquiladora industry" (Kamel and Hoffman, 3). However, the deregulation inherent in NAFTA policy, combined with the tax incentives and lax enforcement of labor and environmental laws, has exacerbated the effects of border export-processing zones and expanded the maquiladoras so that they now "occupy a central role in the Mexican economy" (Kamel and Hoffman, 59). This industry "drains and destabilizes the rest of Mexico's economy" and does not promote true development (Kamel and Hoffman, 2). Instead, as the corporate elite and upperclass American stockholders watch their investments grow and corporations maximize profits, the worker suffers even more.

The close relationship between capital and the state has facilitated the continued exploitation of nations in global commodity chains and the state-led prevention of activism and labor organization. For instance, Carlos will most likely discuss his concerns with maintaining levels of foreign investment. Despite having some of the best labor laws in the world, corrupt government-dominated unions such as CTM and the Revolutionary Confederation of Workers and Peasants (CROC) have actively participated in counter-labor efforts. These "official" unions are tied to the ruling PRI political party, which has ties to foreign investment.

Workers at ITAPSA unknowingly have had a "protection contract" for years with the CTM. This is a contract signed by the plant and the corrupt union bureaucracy. In return for payoffs to the union leadership, the company is "protected" from a real union with real demands (Rosen and Smucker). The CTM also has an "exclusion clause" in the contract with the ITAPSA workers. This allows them to discharge disloyal workers at will (La Botz #2). Freedom of association is further impacted by the existence of spies paid by plant managers to report on organizing efforts and union representation elections being conducted by vote in the presence of management and armed goons, rather than by secret ballot. Moreover, beatings and intimidation of independent union supporters by plant and CTM-affiliated thugs have occurred at American Breakblock, another Mexican subsidiary of Echlin (Rosen and Smucker).

### **John: Representing the Echlin Board of Directors**

As Echlin's attorney, I have been instructed by the board of directors to deliver the following letter regarding the ITAPSA-Echlin worker disturbance:

*Echlin Corporation*

---

*World Headquarters  
Branford, Connecticut*

March 23, 1997

National Administrative Office  
US Department of Labor  
200 Constitution Avenue, N.W.  
Room C-4327  
Washington, DC 20210

To the whom it may concern:

Echlin is the fourth largest auto-parts producer in the world. We have built our company on a solid reputation and through honest and honorable transactions and treatment of our customers and employees. We now have sales topping \$3 billion [1997]. We have over 100 plants worldwide, employing 32,000 workers. Eight of our plants are located in Mexico (Rosen and Smucker).

As capitalism continues to develop, our involvement in the global marketplace and levels of foreign investment have increased accordingly. The new (Post-Fordist) definition of the corporation, characterized by the decentralized contracting and outsourcing that exists in a just-in-time-production enterprise web, has led to the reorganization of our corporation and a tendency to look for foreign opportunities to keep pace with the lower production costs and the "speed and agility" needed in the value-added enterprise model (Reich, 84). Pragmatic neoliberal policies and our nation's commitment to free trade have helped us to work with our friends around the world and helped to increase productivity, our profit margins, and our ability to successfully compete in the new global economy. The US government's subsidies have further allowed us to sensibly separate the stages of our production and enter the world system by developing an efficient commodity chain.

Our main concern is competing with other companies and providing for our shareholders by keeping profits high. Our company may merge or be bought in the future and we want to make sure we get the most possible money for the transaction.

Echlin has always been committed to providing for its employees. Despite international differences in standards of living, ITAPSA pays its workers between \$5 and \$10 a day, a good deal more than the \$3.50 a day minimum wage earned by as much as 20% of the working population of Mexico (Rosen and Smucker). We are helping the good citizens of Mexico by providing the best service we can: wage paying jobs. Unemployment remains high in Mexico but we are doing our part to help bring stability to the nation. Further, we go above and beyond by giving our workers material for their houses... free of charge!!

Unions in the US forced Echlin to relocate because of high costs and low productivity. Even after our workers in the US took a pay cut, their benefits and lack of output were too much to bear. Women

workers in Mexico work harder, with less complaints, and they have more manual dexterity. US union demands left us without a choice. We had to give their jobs to more productive workers. The UE's involvement in this hearing suggests to us that US workers may finally want to steal their jobs back and they may even be ready to work for a living.

All of our workers in every one of our plants in Mexico are represented by unions (Rosen and Smucker). Instead of being involved in the fanatical teachings of illegal-foreign-guerrilla organizing and sabotage tactics (i.e. the FAT), we suggest that ITAPSA workers honor the official union that has represented them successfully for many years.

In closing, Echlin is extremely concerned with the distortions, misrepresentations, and lies that UE, FAT, and STIMAHCS have spread regarding our Mexican operations in an attempt to discredit our honorable name and clean reputation. In good faith, we conducted an investigation of the facility-in-question and we are pleased to announce we have a clean bill of health! We are going beyond our duty to provide for the safety and welfare of our workers (La Botz #3). Therefore, Echlin Corporation has no responsibility to provide for the unlawful anarchists who are the architects of this disturbance.

Indeed, we are concerned with low costs but we also need a stable atmosphere in all our factories. Mobs cannot be converging on our facilities. We urge the NAO to take the proper action to prevent the escalation of the UE, FAT, and STIMAHCS-led unrest. We moved to Mexico because of the Mexican people's need for employment and the unreasonably excessive cost of doing business in the US. We have enjoyed our relationship with Mexico. The government has even provided us with tax breaks and credits for telephone and utility bills (Ross, 24)! It would be rather unfortunate if we had to move to Asia, Africa, South America, or the Caribbean.

I appreciate your time and consideration.  
Respectfully submitted,

Larry McCurdy  
Echlin Chief Executive Officer

### **Carlos, PRI Representative from the Mexican Federal Government**

While the Mexican government was not involved in the suspected activities of the CTM at the ITAPSA-Echlin plant, we did provide officials to watch the election for new union representation and count the ballots. I was one of the officials assigned to the election. I am pleased to report that the elections were held in a fair and orderly manner and CTM was clearly chosen by an overwhelming majority to represent the workers. I must, however, report that the FAT-led crowd of workers at the site had potential to erupt in an angry mob. Accordingly, it is often necessary to lead by authority in the interests of the people; the spell of control often protects countries from decomposition and will keep Mexico moving toward modernization.

In addition to supporting only official and legal unions in Mexico, I am proud to say that the PRI continues to support NAFTA. NAFTA will provide more new jobs for the masses of unemployed in Mexico by developing a larger consumer market. It will help Mexican and foreign business owners, many of whom are close associates of the PRI and friends of mine, to enjoy economic growth, and stability. NAFTA is Mexico's chance to enter the "First World" by industrializing through the foreign investments and businesses that can come to Mexico without restrictions of taxes or tariffs.

The Mexican government does not want to alienate foreign direct investment. We continue to actively court investors for modernization projects by pursuing the austerity policies the World Bank suggested. The loans from the World Bank have been essential to raising the quality of life in Mexico. Many of my associates enjoy luxuries just like Americans living here.

Some critics believe neoliberal policies are undemocratic because they are inconsistent with the needs of a large segment of the population when applied to a trade relationship that is not equal. Indeed, some neoliberal policies may appear to benefit only a select cohort of society in Mexico. However, that is just because the resources are still in the process of trickling-down. When Mexico finishes industrialization, it will no longer be dependent on transnational corporations. Eventually, Mexico will contribute the necessary skills that characterize high-value businesses in a modern state and we will help our own economy through our contributions to the commodity chain and export oriented/led industrialization (Reich, 84).

The PRI is concerned with maintaining Mexican sovereignty and prosperity so the nation can continue to benefit with PRI officials in control of government. The PRI are working hard so that Mexico rises from its backwardness and replicates the features of "advanced" societies. Mexico has some of the most comprehensive labor and freedom-of-speech laws in the world. We even provided a union for the workers at the ITAPSA plant. Further, we are concerned with the influence of foreign unions on Mexican soil inciting disorder. These Communist invaders are inhibiting the nation of Mexico from reaching "high levels of industrialization and urbanization, technicalization of agriculture, rapid growth of material production and living standards, and the widespread adoption of modern education and cultural values." (Escobar, 4)

As Maria, Carlos, and John, you must now discuss your visions for the future and how these perspectives involve the interests of the other parties. Participants should attempt to reach a settlement and sign a contract to end the ITAPSA-Echlin conflict. This agreement must be able to coexist with the framework of NAFTA and neoliberal trade policies. What would a settlement entail if the framework could be altered? All participants must agree with proposals and a clear consensus must be reached.

## **Discussion Questions**

- 1) Should the NAO be changed? What new capacities should it have/not have?
- 2) How can we allow for democratic collective bargaining so that unions can work with companies to balance the needs for profit, competitive advantage in the market, and livable wage and environment? (Bandy)
- 3) How does cross-border coalition-building impact the discussion? What are the prospects for future success in transnational labor alliances?
- 4) What are the immediate and long-term interests of the parties? Are there proposals for settlement that address these concerns?
- 5) How can labor movements in Mexico more effectively organize given the existence of government and corporate-controlled unions?
- 6) How can corporations engage in "damage control" to quickly put scandals such as ITAPSA-Echlin in their past?
- 7) What should the NAO's ruling be?

APPENDIX  
THE CROSS-BORDER MURAL PROJECT



"Sindicalismo Sin Fronteras" (Trade Unionism without Borders)



"Marcha Por la Autogestion" (March for Self-Management)



## BIBLIOGRAPHY

- Alexander, Robin and Peter Gilmore. 1999. "A Strategic Organizing Alliance Across Borders." Ch. 14 in *The Transformation of US Unions: Voices, Visions, and Strategies from the Grassroots*. Eds. R. M. Tillman and M.S. Cummings. Boulder: Lynne Rienner Publishers. Pp. 255-66.
- Bandy, Joe. "Bordering the Future: Resisting Neoliberalism in the Borderlands." Bowdoin College. (Cited as "Bandy")
- Bandy, Joe. 1997. "The Crisis of North American Free Trade: Broken Promises and Transnational Resistance." Bowdoin College. (Cited as "Bandy #2")
- Barber, Benjamin R. 1998. *A Place for Us: How to Make Society Civil and Democracy Strong*. New York: Hill and Wang.
- Cardoso, Enrique and Enzo Faletto. 1979. *Dependency and Development in Latin America*. Berkeley: University of California Press.
- Escobar, Arturo. 1995. *Encountering Development. The Making and Unmaking of the Third World*. Princeton: Princeton University Press.
- Figueroa, Hector J. 1998. "International Labor Solidarity in an Era of Global Competition." in *A New Labor Movement for the New Century*. New York: Monthly Review Press.
- Film: Globalization and Human Rights.
- Film: Minimum Wages in the New Economy.
- Kamel, Rachael and Anya Hoffman. 1999. "The Maquiladora Industry: An Overview," "Statistical Profile of the Maquiladora Industry," "Women on the Border: Needs and Opportunities," in *The Maquiladora Reader*. Eds. R. Kamel and A. Hoffman. Philadelphia: American Friends Service Committee. Pp. 1-4, 18-19, 24-6.
- La Botz, Dan, ed. Dec. 16, 1997. "Canadian, Mexican and US Unions Form Alliance to Support Itapsa-Echlin Workers." in *Mexican Labor News and Analysis*. Vol. 2, No. 23. Ed. Dan La Botz. <http://www.igc.apc.org/unitedelect/>. (Cited as "La Botz")
- La Botz, Dan, ed. April 2, 1998. "NAO Hears Echlin Complaint." *Mexican Labor News and Analysis*. Vol. 3, No. 7. Ed. Dan La Botz. <http://www.igc.apc.org/unitedelect/>. (Cited as "La Botz #2")
- La Botz, Dan, ed. Aug. 16, 1998. "NAO Issues First Health and Safety Decision; Blasts Echlin and the Mexican Government." in *Mexican Labor News and Analysis*. Vol. 3, No. 14. Ed. Dan La Botz. <http://www.igc.apc.org/unitedelect/>. (Cited as "La Botz #3")

- National Administrative Office Home Page. Retrieved December 3, 1999 from the World Wide Web: <http://www2.dol.gov/dol/ilab/public/programs/nao/main.htm>.
- National Administrative Office Home Page: Functions of the US NAO. Retrieved December 3, 1999 from the World Wide Web: <http://www2.dol.gov/dol/ilab/public/programs/nao/function.htm>.
- North American Agreement on Labor Cooperation: A Guide. Retrieved December 3, 1999 from the World Wide Web: <http://www2.dol.gov/dol/ilab/public/media/reports/nao/naalcgd.htm#NAO>.
- Reich, Robert B. 1992. "From High Volume to High Value," "The New Web of Enterprise," "The Diffusion of Ownership and Control," "The Global Web," "The Perils of Vestigial Thought." Chs. 7-10, 13 in *The Work of Nations*. New York: Vintage Books/Random House. Pp. 81-118, 154-70.
- Rosen, Fred and Sam Smucker. Jan. 16, 1998. "The Struggle Continues at Echlin-ITAPSA." in *Mexican Labor News and Analysis*. Vol. 3, No. 2. Ed. Dan La Botz. <http://www.igc.apc.org/unitedelect/>.
- Ross, Andrew. 1997. "Introduction." In *No Sweat: Fashion, Free Trade, and the Rights of Garment Workers*. Ed. A. Ross. New York: Verso.
- Sivanandan, A. 1980. "Imperialism in the Silicon Age." *Monthly Review*, 32:24-42.
- Smucker, Sam and Sarah Livingston. Sept. 10, 1997. "Hired Thugs Prevent Workers at ITAPSA-Echlin from Choosing FAT." in *Mexican Labor News and Analysis*. Vol. 2, No. 17. Ed. Dan La Botz. <http://www.igc.apc.org/unitedelect/>.
- Teeple, Gary. 1995. "Global Economy and the Decline of Social Reform." Ch. 4 in *Globalization and the Decline of Social Reform*. New Jersey: Humanities Press. Pp. 55- 74.
- United Electric International Solidarity Site. Retrieved December 3, 1999 from the World Wide Web: <http://www.igc.apc.org/unitedelect/#aboutfat>.
- Warnock, John. 1995. "The Meaning of NAFTA" and "The Impact of Neoliberalism." Chs. 8 and 9 in *The Other Mexico. The North American Triangle Completed*. New York: Black Rose Books. Pp. 148-90.
- Who We are at UE. Retrieved December 3, 1999 from the World Wide Web: <http://www.ranknfile-ue.org/uewho.html>.