

UNITED STATES NATIONAL ADMINISTRATIVE OFFICE

In re:

Case No. 940002

GENERAL ELECTRIC COMPANY

SUPPLEMENTAL SUBMISSION AND REQUEST FOR REVIEW

I. INTRODUCTION

The General Electric Company is one of the world's most powerful corporations. Yet, according to documents appended hereto, GE's motor plant in Juarez, Mexico has flagrantly violated the labor and human rights of its employees. As set forth in greater detail herein, the workers at the Juarez motor plant, which is known as Compania Armadora or CASA, have reported that GE management has actively obstructed union organizing efforts in violation of Mexican and international law, and in violation of the principles of freedom of association and protection of the right to organize.

As a result of a ground breaking agreement reached on August 18th, the first secret ballot election in Mexican labor history was conducted on August 24th at the General Electric plant in Juarez, Mexico, which is known as Compania Armadora or CASA. The plant, which manufactures motors, employs approximately 1200 workers. The agreement was reached by STIMAHCS, an affiliate of the Frente Autentico del Trabajo, the only independent labor federation in Mexico, the General Electric Company, and the Juarez Labor Board, after the state government refused to process the union's demand that the company sign a contract.

In the period prior to the August 24th election, workers have

plant closure and job loss, left workers badly intimidated. Anti-union banners and signs were put up throughout the plant and an anti-union committee was allowed to pass out fliers and ribbons on company time. In addition, the company promised to restore benefits which had been eliminated and to give increases in wages of as much as 30%. Captive audience meetings were common, and continued up until the eve of the election - for example, a series of three captive audience meetings back to back the night before the election. These actions by General Electric made a free and fair election impossible and destroyed the ability of the workers to freely exercise their associational and organizational rights.

## II. THE COMPLAINANT

The United Electrical, Radio and Machine Workers of America (UE) is a national labor organization headquartered at 2400 Oliver Building, 535 Smithfield Street, Pittsburgh, Pennsylvania 15222. The Union has a national contract with the General Electric Company and represents some 6,000 workers in 15 bargaining units throughout the United States. Approximately two and a half years ago the UE and the Frente Autentico del Trabajo (FAT) established the Strategic Organizing Alliance in order to target for unionization certain maquiladora plants in the Juarez/Chihuahua region of northern Mexico.

As part of this effort, the Unions focused their efforts on several plants where they had ascertained that workers were eager to unionize, including the General Electric motor plant in Juarez,

Mexico.

### III. THE CHARGED PARTY

The General Electric Company, according to Forbes magazine, is the most powerful corporation in the United States. It is headquartered at 3135 Easton Turnpike, Fairfield, Connecticut 06431. It employs over 225,000 workers throughout the world, including approximately 950 workers in its Juarez motor plant.

In 1993 alone, GE's gross sales exceeded \$60 billion, with net profits of \$5.18 billion. GE is the world's leading producer of most of the products it manufactures, including electric motors such as those which are produced in Juarez. Despite its enormous profitability, GE has diverted work from U.S. plants to Juarez in order to take advantage of the low wages there. Business Week reported on November 8, 1993 that in the 1980's, GE operations in Mexico expanded dramatically, moving from production for the Mexican domestic market to become a major exporter of appliances.

At the same time, GE has re-located U.S. production to Mexico from at least fifteen plants. For example, in 1989, GE closed its small motors plant in Decatur, Indiana throwing several hundred long-service employees out of work. Although the Decatur plant had a well-deserved reputation for high quality and productivity, most of the jobs there were diverted to the Juarez plant. At that time, production workers in GE's Decatur plant earned twice as much in an hour as most production workers in GE's Juarez motor plant earn in an entire day. Since then, GE motor division workers in Ft. Wayne,

Indiana, Murfreesboro, Tennessee, and Erie, Pennsylvania have also lost jobs to Mexico.

Extensive violations of workers' rights at the plant are the subject of the earlier submission, Number 940002, which was filed by the United Electrical, Radio and Machine Workers of America (UE) on February 14, 1994. The violations alleged herein constitute a continuing pattern of violations by the General Electric Company of the organizational and associational rights of its Mexican employees.

#### IV STATEMENT OF FACTS

As stated earlier, on August 24 and election was held at General Electric's Compania Armadora plant in Cd. Juarez, Mexico.

#### V. VIOLATIONS OF LAW

It is hereby believed and alleged that the General Electric Company has violated the Labor Principles contained in Annex 1 of the North American Agreement on Labor Cooperation (NAALC); The Universal declaration of human Rights<sup>1</sup> and the United Nations Covenants on Civil and Political Rights<sup>2</sup> and Economic, Social and Cultural Rights<sup>3</sup>; International Labor Organization (ILO)

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<sup>1</sup>. U.N. Res. 217A (III), 3(1) U.N. GAOR Res 71, U.N. Doc. A/810 (1948).

<sup>2</sup>. U.N.G.A. Res. 2200 (XXI), 21 U.N. GAOR, Supp. (No. 16) 52, U.N. Doc.a/6316 (1967), entered into force March 23, 1976.

<sup>3</sup>. U.N.G.A. Res.2200 (XXI), 21 U.N. GAOR, Supp. (No.16)49, U.N. Doc.6316 (1967), entered into force January 3, 1976.

Conventions 87 and 98; Article 123 of the Constitution of Mexico, and the Federal Labor Law of Mexico, in the following respects:

1) Company management officials, supervisors and agents held multiple captive audience meetings with workers, sometimes two or three times a day;

2) Company management officials, supervisors and agents threatened workers by telling them that the plant would close if a union came in; that GE came to Mexico to get away from unions in the U.S. so if the Mexican workers brought in a union they might as well pack up the plant and move it back to the U.S.; that the company would not agree to the unions demands and would never sign a contract with the union; and that union supporters would be pressured into resigning;

3) Company management officials, supervisors and agents promised to restore benefits such as seniority and production bonuses and that the company would match the savings amount based on overtime pay and to pay wage increases, in some cases of as much as 30%. In some cases wage increases were promised and granted in the period just prior to the election;

4) Company management officials, supervisors and agents put up banners, fliers and signs made of computer paper with anti-union messages throughout the plant;

5) Company management officials and supervisors organized an anti-union committee and permitted its members to pass out fliers and ribbons on company time. Supervisors also engaged in such activity, in some instances pinning ribbons on workers.

6) Company management officials, supervisors and agents organized and permitted an anti-union rally on company property during the election;

7) Company management officials, supervisors and agents interrogated, threatened and detained employees while their groups voted, discouraging them or preventing them from participating in the election;

8) Company management officials, supervisors and agents interrogated workers about whether they supported the union, questioning them directly, through questionnaires, and through a poll conducted by a company called "Genesis."

9) On Monday, the 22nd of August, the company declared a holiday because of the Mexican election but said that it would pay triple time to anyone who wanted to work and serve a special meal of carne asada;

10) Company management officials, supervisors and agents falsely told workers that STIMAHCS was not a legitimate union, that its leadership was corrupt, and that it would force workers to participate in political demonstrations and to support political candidates and that people who did not go would be fined 50 new pesos or more;

11) Company management officials, supervisors and agents solicited grievances from workers and promised to remedy them; created a new management position prior to the election and advised workers that the position had been created for the resolution of their complaints; and the day after the vote had a meeting in which in announced that the workers were to elect a person from each line as their representatives for the purpose of assisting them in resolving grievances; and

12) Other or further violations of employees' organizational and associational rights.

UE requests that the review initiated in this case address both the conduct of the General Electric Company and the failure of Mexico to enforce its labor laws with respect to the issues raised in this matter, in particular, those laws and regulations, or provisions thereof, that are directly related to (per the Definitions specified in Article 49 of the NAALC) the freedom of association and protection of the right to organize.

This review should not be forestalled by any argument that the incidents cited are or may be processed under Mexican labor law procedures such as conciliation boards or labor courts, as under Mexican law violations of this sort may not be challenged by a labor union which has not been recognized as the representative of the workers in question. This is a significant deficiency in Mexican labor law and violates the principles established in Annex 1 of the NAALC.

In addition, even if relief were available to STIMAHCS

pursuant to the domestic law of Mexico, the failure of the Mexican authorities to enforce its labor laws is well established. For example, Mexico has ratified ILO Convention 87 on freedom of association and protection of the right to organize, making that Convention part of Mexican labor law. However, the ILO's Committee of Experts has repeatedly found Mexico in violation of the Convention, most recently at the 1993 ILO Conference (see ILO, Report of the Committee of Experts Concerning Ratified Conventions (1993), at 210-213).

In a massive study of Mexican labor conditions, the U.S. Congress' Office of Technology Assessment reported that:

"[T]he evidence suggests that the Mexican government and official unions have often used their power to block independent union formation." (*U.S. Congress, Office of Technology Assessment, U.S.-Mexico Trade: Pulling Together or Pulling Apart (1992)*, at 80).

Professor Nestor de Buen, a respected Mexican labor lawyer and professor (and an advisor to the Mexican government's labor side agreement negotiating committee) has characterized the government as:

"[T]he omnipotent decisionmaker under the guise of social partnership...Under it, collective rights have been nullified, trade union freedom has been suppressed, and the right to strike has been eliminated." (de Buen, "Otro Modelo de Relaciones Laborales," Carlos Reyes Romero, ed., *Dos Proyectos de Nacion (1989)*, 243-255, at 247).

Another Mexican labor law analyst has stated that:

"[F]ederal labor law leaves the door open for legal procedures to be manipulated by employers, using the law in a fraudulent manner." (Graciela Bensusan, "Transgression y

Discrecionalidad en el Mundo Laboral: Algunos Ejemplos," Trabajo No. 9 [1993]).

Moreover, state labor officials have already demonstrated their willingness to flaunt their legal obligations to workers by failing and refusing to process STIMAHCS' earlier demand that GE sign a contract or to serve the union's legal papers on the company.

General Electric's interference with workers' organizational and associational rights as described above, violates Principle 1 of Annex 1 of the North American Agreement on Labor Cooperation: freedom of association and protection of the right to organize. All these instances, together with those reflected in the record of the UE submission Number 940002, reflect ineffective enforcement or non-enforcement of "labor laws" as defined in Article 49 of the NAALC.

**VI. RELIEF REQUESTED**

WHEREFORE, the United Electrical, Radio and Machine Workers of America (UE) requests:

A. That the United States National Administrative Office (USNAO) initiate a review pursuant to Article 16 of the North American Agreement on Labor Cooperation (NAALC);

B. That Mexico require the General Electric Company to comply with international and Mexican law and to respect the organizational and associational rights of its Mexican employees.

C. That the government of Mexico take all necessary and

appropriate steps to ensure that International and Mexican laws are properly applied, that the organizational and associational rights of Mexican employees are respected and that unions have adequate access to the Mexican judicial system in order to enforce said rights.

D. In the event that the relief requested in Paragraphs B and C is not satisfactorily obtained, that the USNAO Secretary recommend that the Secretary of Labor request consultations at the ministerial level pursuant to Article 22 of the NAALC regarding all such matters that may properly be considered;

E. If, following such consultations, the relief requested in Paragraphs B and C is not satisfactorily obtained, that the USNAO Secretary recommend that the Secretary of Labor request that an Evaluation Committee of Experts (ECE) be established under Article 23 of NAALC regarding all such matters that may properly be considered;

G. That the USNAO Grant such further relief as it may deem just and proper.

Respectfully submitted,

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