

# AFL-CIO Executive Council meeting marks further disintegration of US labor federation

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The Executive Council of the AFL-CIO labor federation is holding its annual winter meeting this week in San Diego. The trade union officials assembled at a luxury Pacific Coast resort have overseen yet another disastrous year for unionized workers, as well as a further decline in their own organization.

The meeting of the labor federation's top leadership takes place seven months after four unions—the Teamsters, the Service Employees International Union (SEIU), the United Food and Commercial Workers and the hotel workers union UNITE/HERE—left the AFL-CIO and set up a rival organization called Change to Win. One subject likely to be discussed in San Diego is further retrenchment in response to a 25 percent budget reduction and the loss of nearly one third of AFL-CIO members resulting from the split. Last year, the federation laid off a quarter of its staff, shuttered its health and safety department and closed down its nine-year-old magazine *America@work*.

Both SEIU and Change to Win leader Andrew Stern and AFL-CIO President John Sweeney pledged at the time of the split that their respective organizations would devote the necessary resources to reverse declining union rolls and bring about an influx of new members. Nothing of the sort has occurred. Each of the rival groups has continued to pursue the policies of labor-management collaboration, economic nationalism and support for the Democratic Party that produced the collapse in the labor movement in the first place.

The percentage of unionized workers in the US continued to fall in 2005, down to 12.46 percent overall and just 7.8 percent in the private sector, the lowest percentage since 1901. In the 1950s, 35 percent of US workers were unionized, and as recently as 1983 more than 20 percent were in unions. Only 4.6 percent of younger workers—24 years old and under—belong to a union.

At the time of the split in the AFL-CIO last year, supporters of the Change to Win faction compared their action to the 1935 rupture within the American Federation of Labor (AFL) that led to the formation of the Congress of Industrial Organizations (CIO). However, that split, which led to a massive upsurge of working class struggles, erupted over serious questions—including the AFL's refusal to organize the millions of unskilled and immigrant workers employed in mass production industries, such as steel, auto and rubber—and the different factions gave expression to powerful social forces.

There were no principled differences between the two sides involved in the recent split in the AFL-CIO. In the end, the breakup was nothing more than the product of the infighting—chiefly over union dues income and influence with the employers and the state—between two equally reactionary factions of the American labor bureaucracy, and a further nail in the coffin of the entire rotten apparatus.

This has become ever more apparent in the half year or so since the split. While nothing has been done to organize or seriously improve the living standards of tens of millions of workers, both factions have been engaged in bitter raids on each other's organizations to offset the loss of dues income from their declining memberships.

Following a temporary truce after the SEIU attempted to lure thousands of California workers away from the American Federation of State, County and Municipal Employees (AFSCME) union, a dirty fight has once again erupted between the two factions over who will organize child care workers in Iowa and municipal workers in Houston. The Teamsters union has also raided AFL-CIO unions in Chicago and the Machinists union at US Airways after the company merged with America West.

Despite these tensions, however, each faction is engaged in deepening its respective collaboration with the Democratic Party. AFL-CIO President John Sweeney announced Monday that the federation would shovel out \$40 million for the Democrats in the 2006 elections, the largest amount ever for a mid-term election campaign, despite budget restraints that led the federation to shut down its health and safety department and other programs last year.

The AFL-CIO's unceasing effort to promote the pro-business and pro-war Democrats as "friends of labor" only underscores the reactionary character of the union bureaucracy, its hostility to the working class and its defense of corporate America. The more the trade unions have become irrelevant to the lives of tens of millions of working people—and the more the Democratic Party's right-wing trajectory has eroded its support among workers—the more the AFL-CIO has transformed itself into little more than vote-gathering apparatus for the Democrats.

The same is true for the Change to Win unions. More than 500 locals from the breakaway unions have signed agreements to remain part of the AFL-CIO's state and local labor federations, in order to cooperate in state and local political campaigns and lobbying. "It shows that people still want to work together and not disrupt this relationship," said Denise Mitchell, the communications director for the AFL-CIO.

The efforts of both factions to work together in support for the Democratic Party goes hand in hand with the labor bureaucracy's support for militarism and social reaction. Thus the Teamsters and the longshoremen's union collaborated this week in sponsoring a chauvinist demonstration in Newark, New Jersey, along with three Democratic US senators, to protest the sale of American port facilities to a company from the United Arab Emirates. Some 200 protesters, chanting "USA All the Way!," cheered Senator Charles Schumer as he attacked the Bush administration for being soft on terrorism.

What balance sheet can be drawn seven months after the split in the AFL-CIO?

US workers are facing an unprecedented rollback in their living standards as corporate America is determined to lower wages permanently, dispense with pensions and health care benefits, and drive up the rate of exploitation of workers to boost profits and share values for corporate executives and wealthy investors. Last year, Delphi Corp., the largest automotive parts manufacturer in the US, demanded a 60 percent cut in wages; Delphi's CEO declared that globalization and the availability of low-wage labor in China meant an end to the "social contract" between US employers and workers and the "middle-class lifestyle" once enjoyed by unionized workers.

This was followed by the announcements by General Motors and Ford that they were eliminating 60,000 jobs over the next several years and imposing unprecedented concessions in health care benefits on active and retired workers and their families. At the same time, major US airlines like Northwest Airlines, Delta and United have gone to the bankruptcy courts to impose billions in wage and benefit concessions on pilots, flight attendants and other workers.

The inability of the American trade unions to resist the massive loss of manufacturing jobs and the steady decline in the living standards of US workers is rooted in the inherent inability of pro-capitalist and nationalist organizations to respond in any progressive fashion to the globalization of capitalist production. This failure is not unique to labor organizations in the US, but is an international phenomenon. Rejecting a struggle to unite the international working class against the global profit system, labor bureaucracies in every country have responded by demanding protectionist trade measures and, above all, by pressuring their own members to accept lower and lower wages in order to attract investment.

In an effort to reverse its loss of dues income and maintain its privileges, the trade union bureaucracy in the US has deliberately pursued a policy of driving down labor costs to convince employers not to shift manufacturing to lower-cost regions in the predominantly non-union Southern states or out of the country. This strategy was spelled out in an article about the United Auto Workers (UAW) and the giant earth-moving equipment manufacturer Caterpillar published in the *New York Times* on the eve of the AFL-CIO convention.

The article notes that last year, the UAW accepted a two-tier wage system at Caterpillar that will permanently reduce wages by more than half for all new workers. As the generation of older workers—now earning \$23.51 an hour or \$41,000 a year—retires, they will be replaced by workers who will never earn more than \$12.50 an hour or \$26,000 a year. New workers at Caterpillar will pay higher health care costs and no longer enjoy fixed monthly pensions when they retire or job protections against layoffs that had limited the company's ability to shed new workers when demand turned downward.

The company demanded these concessions, not because it was broke, but to remain "globally competitive." Caterpillar's profits rose 40 percent last year, to \$2.85 billion, and have nearly tripled since 2003. In the past, while such earnings would have resulted in higher wages and benefits, the new six-year contract signed by the UAW calls for just one general raise of 2 percent in December 2008. The way to improved wages, company officials explain, is not through a better union contract but a promotion to supervisory position, if not within Caterpillar, then at another employer.

The article notes that the wage-cutting contract at Caterpillar is part of a widespread trend throughout US manufacturing companies. The decades-long wage premium for manufacturing over service and other

non-manufacturing workers has all but disappeared. "We are converging in the Midwest on a \$13 to \$18-an hour wage package and \$9 more for benefits," said Daniel Luria, an economist at the Michigan Technology Center. "That is roughly \$25 an hour, and it is down from about \$40."

While low wages have enraged young workers, the UAW has been rewarded with a growing dues base. The new contract that was ratified last January after being rejected twice by union members has led Caterpillar to increase production in its US plants. Three quarters of the 4,200 hourly workers that Caterpillar added in the US last year joined factories in Illinois instead of the network of small, low-wage plants that the company had opened in recent years in Southern US states, according to the *Times*.

The new hiring has increased UAW membership to 11,500 of Caterpillar's 41,000 employees in the United States. UAW Local 974 at the company's major facility in East Peoria, Illinois, has increased to 6,000 members, up from 4,500 in 2004. According to the *Times*, union vice president Rick Doty spends much of his day justifying the low wages he helped to negotiate. "I remind them they are making more now than they were before they came to Cat," said Mr. Doty who spends part of his day at the one-story union hall of the United Automobile Workers Local 974 arguing that \$12 to \$13 an hour is good pay here. "And I assure them that five years down the road, when the present contract expires, we in the union are going to improve their lot in life."

The wage-cutting deal signed last year followed more than a decade of defeated struggles by Caterpillar's UAW members. In 1992, the UAW national leadership surrendered and called off a walkout after Caterpillar threatened to fire 12,000 workers and replace them with strikebreakers. In the aftermath of this humiliating defeat, the company could have removed the union from its plants. However, it chose to allow the UAW to remain to assist management in pushing through the massive cost-cutting measures like those in last year's contract.

The rival unions in the Change to Win coalition also hope that greater labor-management collaboration will convince employers to do business with the union. In the case of the service employee unions, labor officials are offering employers sweetheart contracts and have argued that the meager wage increases contained in a union contract will help hotel owners and others stabilize and retain their workforces, reducing turnover and re-training costs. A telling indication of how little workers can expect if they join a union is the slogan chosen by the hotel workers union for its organizing campaign: "Hotel workers rising: lifting one another above the poverty line."

This is the ugly picture of the so-called America labor movement as its top officials gather in their upscale setting in San Diego. In its social composition and material interests, the labor bureaucracy is thoroughly hostile to the working class. As the AFL-CIO descends further into oblivion, the upper-middle-class stratum that controls it seeks to preserve its income and privileges by helping corporate America reduce the living standards of US workers to near penury.



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