US unions aid in corporate wage-cutting campaign

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31 December 2011

The lead article in Friday's *New York Times* business section, penned by Louis Uchitelle, praises the role of the US trade unions, in alliance with corporate management and the Obama administration, in implementing an historically unprecedented attack on the wages of US manufacturing workers.

The newspaper brings together data documenting the impoverishment of large swaths of manufacturing workers, focusing on the introduction of two-tiered wages at a General Electric plant in Louisville, Kentucky. The wages of new workers, the newspaper notes, "are $10 to $15 an hour less than the pay scale for hourly employees already on staff—with the additional concession that the newcomers will not catch up for the foreseeable future."

The entry wage of unionized workers in auto, steel, tire and other basic manufacturing has fallen to as little as $12 an hour, which, based on a regular work week, just barely exceeds the official federal poverty level for a family of four (about $22,000).

Corporations throughout the country are bringing in younger workers at these wages, while pushing out older workers and slashing their benefits. The unit labor cost of manufacturing products has fallen 13.6 percent over the past decade, which, according to the *Times*, is the sharpest decline since the statistic was first tracked in 1951.

The *Times* stresses the role of the unions in facilitating this process. The newspaper quotes Gordon Pavy, president of the Labor and Employment Relations Association and, until this year, the director of collective bargaining at the AFL-CIO: "Some companies want to keep work here, or bring it back from Asia, but in order to do that they have to be competitive in the final prices of their products, and one way to be competitive is to lower the compensation of their American workers."

The remarks of Pavy give voice to the unions' calculated policy of assisting in the permanent reduction in wages of manufacturing workers, eventually bringing them on par with their counterparts in China and other countries. The well-paid union executives—Pavy himself made $122,000 on the AFL-CIO payroll last year—see this as a means of preserving their own dues base and proving their worth to corporate management.

Pavy's organization, the Labor and Employment Relations Association (LERA), embodies the corporatist perspective of the unions. Its executive board and board of directors are staffed with current and former union bureaucrats, university professors in labor relations, and labor relations managers from major private corporations, including Boeing and Kaiser Permanente.

The corporate and union executives use the same language in insisting that workers have no choice but to accept poverty-level wages. GE has been able to win a "competitive wage," the *Times* quotes CEO James P. Campbell as saying, allowing the company to reach "a point where making things in America is as viable as making things any place in the world."

The local top official of the International Union of Electrical Workers-Communications Workers of America (IUE-CWA), Jerry Carney, praises the company for "an $800 million investment in Appliance Park over the next two years," adding that "what we had to do for that investment was accept the 'competitive wage.'"

The *Times* adds: "Mr. Carney's competitive wage—a euphemism that GE officials also use—is really, as both sides acknowledge, the price of halting or at least slowing this migration” [of jobs out of the US].

While the unions and management justify this assault on wages as necessary to “save jobs,” the number of manufacturing workers in the US remains at near-record lows. This includes GE workers in Louisville, where, according to the *Times*, the number of workers has risen only a fraction above its low of 2,300, down from 17,000 in the 1970s.

According to the Bureau of Labor Statistics, the overall number of manufacturing workers has plummeted from 20 million in the late 1970s to about 17 million through the early 2000s, to 14 million in the mid-2000s, to a low of less than 11.4 million in 2010. In recent months, it has risen to a bit over 11.7 million, recovering about 5 percent of what was lost over the past decade.

Mass unemployment has been utilized by corporations to enforce the attack on the working class as a whole. A handful of job openings regularly lead to thousands of applicants. When 90 jobs opened up at the GE Louisville plant in October 2009, 10,000 unemployed workers applied. (See, “Ten thousand unemployed apply for 90 jobs in Louisville, Kentucky”).

The role of the unions in this process is bound up with their political alliance with the Obama administration and the Democratic Party. The development of the United States as a center of low-wage manufacturing—while vastly inflating the profits of corporate America and the payoffs to top executives—has been a central element of the administration’s economic strategy, beginning with the forced bankruptcy of General Motors and Chrysler in 2009.

There are broader historical forces at work, however. In the aftermath of the upsurge of labor militancy in the 1930s, the unions sought to shackle workers to the profit system and its political representatives, above all the Democratic Party.

By the 1970s, with the increasingly global character of manufacturing and the already visible decline in the world position of American capitalism, the union bureaucracy sought to preserve its own interests by transforming itself into an appendage of corporate management.

By the 1980s, “the AFL-CIO, UAW and Teamsters were unions in name only,” notes David North in *The Economic Crisis & the Return of History*. “They had ceased to exist as organizations that were in any way associated with the defense of the working class. Rather, they served the financial and social interests of an upper middle-class stratum of right-wing functionaries, policing workers on behalf of and in collaboration with the corporations.” Their income depended on an essentially “parasitic, exploitative and duplicitous relationship” to the working class.

Many of the largest unions, including the United Auto Workers, have become major shareholders of the corporations, with a direct financial stake in increasing the exploitation of the workers they supposedly represent. Even as their membership has collapsed, the unions have built up hundreds of millions of dollars in assets, including massive strike funds that are never used. When struggles do break out, such as the ongoing lock-out of Cooper Tire workers in Findlay, Ohio, the unions seek to isolate workers, stringing them out and eventually enforcing a defeat.

This is creating an explosive situation. In its article, the *Times* seeks to portray a situation in which everyone agrees on the necessity for workers to accept their own impoverishment. In fact, the economic crisis and the assault of the corporate-financial aristocracy are producing an immense wellspring of anger and opposition among workers throughout the country.

The interests of workers can be defended, however, only through a rebellion against the rotten and outlived trade union organizations.