

The Con Ed struggle and fight for public ownership

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As the Socialist Equality Party candidate for US president, I want to express my solidarity with the 8,500 utility workers battling the energy giant Con Edison, which locked them out of their jobs in New York City and adjacent Westchester County on July 1. This is a critical struggle to defend jobs and living standards for current and future workers, which deserves the support of the entire working class.

The fight against Con Ed has cast a light on the irrational and antisocial character of privately owned utility companies and the capitalist system as a whole. It poses the need for the working class to reorganize energy production and distribution on a much more rational, that is socialist, basis.

By locking out the workers who repair and maintain the immensely complex electrical and gas system in the most populous city in the United States, Con Ed's top managers have ignored the potentially fatal consequences of power outages during repeated heat waves.

Such considerations are entirely secondary for top executives like CEO Kevin Burke, who has pocketed nearly \$25 million over the past five years. They planned this lockout with their investors and political authorities and brought managers to keep the system patched together, regardless of service disruptions and blackouts.

From the beginning, management's aim has been to deliver a decisive blow to workers. They are trying to force workers to accept increased out-of-pocket medical expenses, a rise in the retirement age, the institution of a 401(k)-like retirement plan for new hires and minimal pay hikes. By slashing labor costs, they calculate that the company, which made \$1 billion in profits last year, will be even more attractive to potential buyers on Wall Street.

The arrogance of Con Ed stems from the fact that it knows it has the full backing of the corporate-controlled media and political establishment, from New York Mayor Michael Bloomberg and Governor Andrew Cuomo in Albany to President Obama and the millionaire Congressmen from both political parties in Washington.

Moreover, while the workers have demonstrated their determination and self-sacrifice, Con Ed executives know they have nothing to fear from the Utility Workers Union of America (UWUA) and the New York City Central Labor Council. Although there is widespread sentiment among workers in New York for a genuine fight against the financial criminals looting society, the unions will take no action that would disrupt their cozy relations with the corporations and their reelection campaign for Obama and other Democrats.

The UWUA Local 1-2 has sent an appeal to the state's utility oversight agency, the Public Service Commission (PSC), to end the lockout. The union has also signaled its willingness to send workers back without a contract. This is the same thing the unions did to workers at Verizon and the New York City Transit Authority, where they have been left at the mercy of management without contracts.

Nothing positive will come out of appeals to the PSC. The state agency upholds the "right" of private investors to profit through the provision of gas and electricity. It has approved rate hikes that have made utility prices among the highest in the nation. The PSC has also turned a blind eye while Con Ed has neglected upgrading its infrastructure even as it hands over millions to its top executives and big investors.

These conditions are not unique to Con Ed or New

York. High winds and storms regularly knock out power to hundreds of thousands of residents around the country because utility companies refuse to pay the expense to upgrade their system or take elemental steps, like burying power lines, as is done in Europe and China.

In Detroit, DTE Energy has cut off heat and electricity to tens of thousands of families who cannot afford to pay. This has resulted in a series of deaths in the winter as parents have desperately sought to keep their children warm by using unsafe heating methods.

All of this is the consequence of for-profit gas and electricity. The deregulation of the energy industry—championed by such figures as New York’s Democratic Senator Charles Schumer—has no more improved services or lowered rates than the deregulation of the airlines, trucking or finance industries. On the contrary, energy production and distribution have been consolidated in ever fewer hands and have become a vast source of profits for financial speculators.

Noting the similarities with today, one historian has remarked that during the 1920s, financial institutions like JP Morgan used speculative “holding companies” to buy up most of the nation’s electric power-generating and transmission-line capacity. These dummy companies were used to enrich investors, pass on rate hikes to customers and pillage existing equipment. The bulk of financial investment in private power companies during this period went not for infrastructure, but rather financial takeovers and other speculative purposes. The private electric holding company was leading the speculative stock market bubble that burst in 1929.

It was only the New Deal reforms of the 1930s, implemented under the pressure of a mass movement of the working class and widespread sympathy for socialism, that led to certain checks on the energy conglomerates. The expansion of electrification into rural areas, which the power companies steadfastly opposed out of profit considerations, took place in this era, more than doubling the number of farms that had electricity by 1950.

Once again, every aspect of life, including the provision of such basic necessities as gas and electricity, is being subordinated to the interests of the corporate and financial oligarchy, which controls both political parties. While trillions were found to bail out the financial criminals who

looted and wrecked the economy, the corporate heads and their mouthpieces in the media and political establishment claim there is no money to provide a decent retirement to those who have labored all their lives.

The Socialist Equality Party rejects this. The social rights of the working class must take precedence over the further enrichment of the wealthy few. But this means that the working class must organize its full industrial and political strength against the dictatorship of the corporate and financial elite and fight to replace the capitalist profit system with socialism.

The energy conglomerates must be taken out of the hands of the corporate executives and banks and placed under the democratic control of the working class. The production and distribution of energy must be organized on the basis of human need, not private profit. A multitrillion-dollar program must be launched, funded through a massive increase in taxes on the rich, to improve social infrastructure and provide jobs for all.

To fight for this, workers must break with both parties of big business and reject the unions’ campaign for the reelection of Obama. Over the last three years, the president has shown that he is a stooge for corporate America and Wall Street no less than his Republican challenger. A new, mass political party of the working class must be built to fight for a workers’ government and the socialist reorganization of society. I encourage Con Ed workers to support our election campaign and take up this fight today.

For more information on the Socialist Equality Party campaign, visit socialequality.com.



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