

Contract covering 16,500 General Electric workers to expire June 21

John Marion
16 June 2015

Contract talks between General Electric and an umbrella group of unions representing approximately 16,500 workers began June 1 in New York. The current 4-year national agreement expires June 21, but contains a clause extending its term for another year if no agreement is reached.

The National Agreement is a general contract containing language allowing for local differences in wage increases, observed holidays, layoff and retraining procedures, work schedules, and other conditions. It covers workers in GE service centers, aviation plants, locomotive manufacturing facilities, power and water operations at 37 GE locations in 19 states.

The Coordinated Bargaining Committee is an umbrella group of 11 unions, including GE-IUE/CWA, AFL-CIO, and CLC locals.

The entire negotiation has taken place behind the backs of GE workers. The secretive nature of the discussions indicates that the union has no intention of seriously fighting the company's constant demands for wage and benefits concessions by employees.

The last nationwide strike by GE workers, against the company's attempts to burden them with increasing health insurance costs, took place in January 2003.

While the first two weeks of this year's negotiations occurred at the "big table" and included management presentations comparing GE's benefits to those of other companies, this week's sessions will address details through subcommittees for Pension/Insurance, Contract Language, and other bargaining.

With good reason, workers are concerned that attacks made in recent years on the retirement benefits of salaried, non-union employees will be forced onto unionized workers as well. The company announced in September 2014 that after January 1, 2015 it would no

longer provide supplemental Medicare coverage to non-union retirees. This cut, which affects more than 50,000 existing retirees, will save GE \$832 million.

In his opening remarks, Jim Clark, the chair of the Coordinated Bargaining Committee, went out of his way to kowtow before GE, praising the company's lead negotiator as "a gentleman and a professional."

The unions agreed to major benefit cuts in the 2011 contract negotiations, including a health insurance program called Wage Works, which has required some workers to drive as far as 30 miles for prescription refills. As of January 1, 2012 new hires have not been eligible for the defined benefit pension plan, being forced instead into a 401(k)-like defined contribution plan.

The unions are hinting, in deliberately vague language, that the current round of negotiations will aim to reverse these concessions, but, given the union's record, no one should take such claims seriously.

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GE is notorious for the lengths it will go to in order to expand its profits. According to Citizens for Tax Justice, from 2010 to 2014 the corporation received US federal tax refunds of \$1.4 billion despite making \$33.5 billion in profits. The refunds result from tax loopholes governing carry forwards in income statements along with losses in GE subsidiaries that were created solely to take advantage of the loophole. The company also keeps more than \$100 billion in offshore assets to avoid US taxes.

GE is holding more than \$13 billion in cash and cash equivalents, and almost \$400 billion in current assets that are slightly less liquid. In 2014 its profits were more than \$15 billion. CEO Jeffrey Immelt is the chair of President Barack Obama's Council on Jobs and

Competitiveness.

GE's corporate headquarters are located in Fairfield, Connecticut, and employ about 800 people. The company has more than 5,700 employees in the state. At the beginning of June the Connecticut state legislature passed a 2-year budget including \$1.2 billion in tax increases. Corporate taxes currently contribute only 6 percent of Connecticut's total tax revenue, down from 17 percent in 1990.

The tax increases included changes in loss carryforward reporting and the implementation of "unitary reporting" for corporations that earn profits in more than one state. According to the *Hartford Courant*, total corporate taxes in Connecticut would increase by \$70 million from these changes, of which GE would pay \$3 to \$5 million.

Immelt reacted by threatening to move GE's headquarters out of Connecticut. The *Courant* reported that GE workers had called state representative Peter Tercyak of New Britain, along with other state legislators, to report that GE had in fact signed new leases in New York months before the new taxes were passed. In other words, it will be moving some operations regardless. A state senate leader has accused GE of using the tax increase as an excuse to hide layoffs it was already planning.



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