

# The Communications Workers of America, corporatism and the Verizon strike

Shannon Jones  
3 May 2016

The ongoing strike by Verizon workers on the East Coast of the US raises important issues before the working class. With the strike by more than 39,000 Verizon workers ending its third week, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) are following an oft-trodden path of betrayal.

To oppose the sabotage of their struggle by the telecom unions, Verizon workers need to be armed with a clear understanding of the nature of these organizations. Over the past several decades the CWA and IBEW have overseen the decimation of the jobs and living standards of telecommunications workers. Based on their program of American nationalism and corporatist union-management “partnership,” the unions have sought to offset the drastic decline in membership through forging ever-closer relations with the global telecom monopolies.

Today the CWA and the IBEW are basically business entities, dues collecting agencies entirely dedicated to the defense of corporate profits and the bloated, six-figure salaries of the union executives.

This is borne out by the latest US labor department filings. According to the CWA’s 2015 financial report the union had over \$582 million in total assets, with \$491 million in investments, including \$394 million in marketable securities. Fifteen top CWA officers took in over \$2 million in salaries and expenses, including former CWA President Larry Cohen, who pocketed \$201,458, and Secretary Treasurer Annie Hill, who took in \$185,020.

While striking workers have been left on starvation rations with no health care for their families, in April 2013 delegates to the CWA Convention approved the diversion of \$12,622,500 from the defense funds to a new “Growth Fund,” for “leadership development, research, industry analysis and efforts to achieve economic justice, including the hiring of staff needed to provide resources for launching new and sustaining existing efforts.”

The IBEW has \$556 million in total assets. For his part, IBEW International President Edwin Hill in 2015 received \$393,005 in salary and expenses. Eight other top IBEW officials took in over \$200,000 apiece in annual salary and expenses.

Like unions around the world, which are all based on the defense of the capitalism and economic nationalism, the telecom unions in the US have been unable to respond in any progressive manner to automation and the increasing globalization of the industry. At every step the CWA and IBEW have sought to collaborate with the telecom companies to increase their “competitiveness” through driving up productivity and eliminating hundreds of thousands of jobs. In the process they have long abandoned the principles of no contract no work, industry-wide strikes and the sanctity of the picket line established in an earlier period

While there had been attempts to organize telephone workers since the early part of the 20th Century, led primarily by the craft union IBEW, these efforts largely collapsed by the 1930s. The CWA emerged as the mass industrial union representing most telephone workers in the wake of the formation of the Congress of Industrial Organizations (CIO), founded in 1935.

The semi-insurrectionary movement of the American working class that established the CIO as a mass organization was led largely by socialist-minded workers, inspired by the Russian Revolution, whose aim was not merely the amelioration of intolerable conditions, but the abolition of the system of capitalist wage slavery itself. In the Flint sit-down strikes and other great struggles workers challenged the police, the courts and, by occupying the factories, the very institution of private property.

However, the emerging trade union bureaucracy blocked the development of the formation of an independent political party of the working class, with the newly formed CIO subordinating the industrial union movement to the Democratic Party. This bargain with the devil would produce tragic results.

The first attempt at the mass organization of telephone workers was the founding in 1938 of the National Federation of Telephone Workers (NFTW). The NFTW, however, was not a national union, merely a loose federation of locals.

During World War II telephone workers demonstrated their militancy by striking in defiance of the unions’ no-strike pledge. In 1944, a rebellion by telephone workers in Dayton, Ohio against abysmally low pay sparked a broader walkout by telephone workers from Chicago to Washington DC.

However, the pay of telephone workers remained below that of many industries. This led to a strike by the NFTW against phone giant AT&T in 1947. AT&T succeeded in splitting the strike, insisting on separate local agreements with regional affiliates. As a consequence, the strike collapsed, and along with it the NFTW. The fiasco led later that year to the founding of the Communications Workers of America, which, in 1948, voted to affiliate with the CIO.

The founding of the CWA coincided with the growing purge of the labor movement of the socialist and militant workers who had led the great struggles of the 1930s. This culminated in the 1955 merger of the AFL and the CIO on a common right-wing program of anti-communism, support for the capitalist profit system and full allegiance to the military and foreign policy interests of US imperialism.

Still, for the next several decades, telecommunications workers waged significant struggles and were able to make limited gains, under conditions of the post-war economic boom and the unchallenged superiority of American capitalism on the world market.

In 1955 the CWA waged a 72-day strike against Southern Bell involving 50,000 workers. The strike successfully beat back Bell’s attempt to break the union and won significant gains. During the strike the company leveled its often-repeated charges of “sabotage” against strikers and called in the FBI, and the Atlanta sheriff even swore in the president of the local

## Early struggles

CWA union and 12 other union officials as “special deputies” to protect the property of the phone company from what the media called “strike goons.”

CWA officials were forced to conduct the first national strike against the Bell system in 1969 after the spread of wildcat strikes in Chicago and other cities. The strike by 200,000 telephone workers won a 20 percent wage increase and fully paid health care.

Two years later a total of 400,000 CWA members, including 20,000 rebellious New York City workers, waged a nine-month strike against the Bell System, winning a cost of living adjustment and other improvements, including a shortened wage progression and increased vacations. 1970-1971 saw a wave of powerful strikes, including, in addition to the CWA workers, GM and US Post Office workers, dockers, Teamster truck drivers and many others.

## End of the postwar boom

As the United States faced increasing pressures from powerful economic rivals in Europe and Asia, the postwar boom began to unravel. This was reflected in the 1971 decision by President Richard Nixon to remove the gold backing from the US dollar and institute wage and price controls.

The American ruling class jettisoned its policy of class compromise and soon launched an offensive aimed at clawing back the gains it had grudgingly surrendered during the previous period. The unions’ support of capitalism and subordination to the big business Democratic Party left workers entirely vulnerable to this counter-offensive. While tens of millions of workers lost their jobs the unions integrated themselves into the structure of corporate management. The increasingly global character of production undercut the ability of the unions to use strikes to pressure the corporations for concessions, since the telecom giants could shift many operations overseas. Thus the strategy of the unions shifted from pressuring the corporations, to pressuring workers for concessions in order to attract capital to the United States.

In the early to mid-1970s the CWA isolated a series of strikes against the General Telephone company. In 1976, GT workers in Kentucky were left stranded on the picket line for 200 days, as the CWA refused to call out its other members to support their struggle.

President Ronald Reagan’s firing of the air traffic controllers and the smashing of the PATCO union served as a signal for an all-out assault by US corporations on wages, benefits and working conditions.

The 1984 divestiture of the telecommunications industry was the spearhead of a major assault on communications workers. It led to the breakup of AT&T into regional Bell affiliates. It was designed both to facilitate the competition of the US telecommunications industry globally and to intensify the exploitation of US telecom workers through competition between different companies.

In the months leading up to divestiture the telecom unions called a strike against AT&T involving 700,000 workers, the largest strike in the US since 1946. It was also the last national strike the CWA would ever call. After three weeks the CWA called off the walkout in order to avoid a confrontation with the Reagan administration, accepting a sellout agreement that left workers vulnerable to mass job cuts.

Another strike against AT&T in 1986 involved a greatly diminished workforce of 155,000 and saw the IBEW ordering its members to cross CWA picket lines to keep the company’s manufacturing plants open. The CWA eventually accepted a contract that it had initially denounced as “outrageous,” including a two-tier wage structure, sending workers back to work before the results of a ratification ballot conducted by mail.

After this series of betrayals the strike called by the CWA and IBEW

against NYNEX in New York State and New England in 1989 marked a major turning point. The company recruited 57,000 managers as scabs to keep its operations going during the walkout. Meanwhile, the CWA and IBEW worked to separate the strike from hundreds of thousands of workers at AT&T, Pacific Telesis, Bell Atlantic and other companies whose contracts were also up.

On August 14, a 34-year-old NYNEX striker, Gerry Horgan, a father of two, was hit and killed by a car driven by a scab crossing the picket line in Valhalla, New York. The driver of the car, the 18-year-old daughter of a NYNEX manager, was never prosecuted.

The *Bulletin* newspaper, a forerunner of the *World Socialist Web Site*, wrote on October 6, 1989, “The refusal of the authorities to bring any charges against the cold blooded killer of the young worker represents the de facto sanction of the capitalist state for the murder of strikers. It exposes with brutal clarity the class issues in the NYNEX strike and stands as an indictment of the cowardice and treachery of the CWA, IBEW and AFL-CIO who have isolated the NYNEX strikers and refused to mobilize the labor movement against the unionbusting tactics of the company and the capitalist state.”

In November the CWA and IBEW accepted a contract settlement that did not contain an amnesty clause for 170 CWA strikers and 35 IBEW strikers victimized by management. It contained \$125 million in wage concessions compared to the other Bell contracts and a smaller wage increase than offered at the beginning of the strike.

## Corporatism

The 1980s saw the decimation of telecommunications jobs, as the consequences of divestiture worked through the system. Some 200,000 union jobs were eliminated, about a third of the total. At AT&T alone some 100,000 jobs were wiped out, about half of all unionized positions.

Opposed to any break with the Democratic Party and the independent political mobilization of the working class against the capitalist system, the CWA drew ever closer to management. It sought to shore up its income through the creation of corporatist union-management committees, collaborating in “quality” and “team” programs.

The CWA settled the 1992 NYNEX contract one year early in 1991 without a strike. In exchange for an insulting wage settlement NYNEX agreed to fund a \$80 million Voluntary Employees’ Beneficiary Association (VEBA) for retiree health care. The fund, controlled by the CWA, was created by diverting money from pensions, which supposedly had a surplus at the time. This type of scheme was later utilized by other unions, notably the United Auto Workers, as a slush fund and lucrative investment vehicle for the union bureaucracy.

This set the stage for the 1992 contract talks at AT&T. For the first time in its history the CWA and IBEW ordered their members to work past the contract expiration, despite a four to one vote in favor of strike. Instead of a strike the CWA set up what it called “an electronic picket line,” in reality an impotent consumer boycott. In order to divert workers’ energies, the CWA staged various middle class protest stunts, enlisting the services of such forces as the Reverend Jesse Jackson and his Rainbow Push Coalition and consumer advocate Ralph Nader.

A factor in the decision of the CWA to avoid a strike was the ongoing US presidential campaign. CWA President Morton Bahr was determined not to potentially embarrass the campaign of Democratic nominee Bill Clinton, the governor of the Right-to-Work state Arkansas.

The *Bulletin* newspaper wrote on June 4, 1992, “This is the first time since the unionization of the telephone industry that the CWA and IBEW have agreed to work without a contract at AT&T. It is the culmination of

collaboration by the union leadership with AT&T and the Regional Bell companies.”

The *Bulletin* wrote, on July 10, 1992, “To dignify the machinations between the union bureaucracy and AT&T with the term ‘negotiations’ would be to perpetrate a fraud on the working class.”

The outcome of such a betrayal was a foregone conclusion. The unions accepted a deal that allowed AT&T to cut thousands of jobs and imposed reductions in health care for new and retired workers.

Bahr defended the sellout by openly declaring the CWA’s identification with management. “This is a company that is still top heavy,” Bahr said. “When we can’t bid for a job because operating costs are too high and someone underbids us, that’s a problem. AT&T not only has to compete against domestic companies, without unions, but against Siemens of Germany, Fujitsu of Japan and Northern Telecom of Canada...”

The nationalism of the union precluded any unification of workers around the world against the global telecom giants. Instead it meant collusion in the ever-worsening conditions of US workers.

### **The Telecommunications Reform Act of 1996**

The 1996 Telecommunications Reform Act signed into law by the Clinton administration allowed what were formerly the regional Bell companies to enter the long distance market, and permitted the long distance companies to begin providing local telephone service. It also scrapped other regulations in the phone industry, which had provided consumers with a degree of protection in relation to quality and access to service.

The Act was the product of collaboration between Bahr and the Clinton administration and was designed to make the US telecom industry more globally competitive and expand the ability of the phone companies to enter new international markets at the expense of telecom workers and the public at large. Far from fostering “competition,” the result of deregulation has been the strengthening of the domination of a handful of giant monopolies over the industry, including wireless, Internet and cable services.

Meanwhile, the assault on telecom workers continued unabated. The CWA and IBEW continued to hand out concessions contracts through the 1990s and into the 2000s.

The telecom unions called a strike by 87,000 workers at newly formed Verizon in 2000, ending it after a few weeks based on a settlement that tied wage raises to increases in productivity and that did not seriously address the question of job security. The CWA and IBEW split up the strike, sending workers in New York and New England back before workers in the Mid Atlantic states. This allowed Verizon to redirect calls from strikebound areas to New York and New England, thus negating any impact of the strike. Gloating over the sellout he had engineered, Bahr declared that the deal “helps sharpen Verizon’s competitive edge.”

Bahr’s retirement in 2005 and the selection of Larry Cohen as CWA president did not change the course of the union one iota. Indeed, a new low came in 2011 when the telecom unions sent 45,000 striking Verizon workers back to work after two weeks without a contract settlement. Talks continued for another 16 months, after which the CWA and IBEW agreed to deep concessions, including health care cuts. Despite a so-called no-layoff clause, the company has cut another 5,000 jobs in the meantime.

The back-to-work agreement signed by Dennis Trainor, now CWA vice president, sanctioned the firing of workers for so-called strike “misconduct,” including mass picketing, blocking vehicles and supposed “hate speech” towards strikebreakers.

The present strike by Verizon workers has once again exposed the

reactionary and anti-working class character of the CWA and IBEW. After forcing workers to stay on the job for months, isolating them from the ongoing struggles of autoworkers and steelworkers, the telecom unions called a strike without any serious preparation, under conditions where management had trained a small army of management strikebreakers.

As far as the strategy of unions, it is entirely based on preserving its membership base, or “dues units,” as CWA bureaucrats say in private. To achieve this, they want to gain access to Verizon’s wireless operations and pressure the company to expand its fiber optic cable division. To secure this, the unions are prepared to impose any sacrifice on the membership.

To divide and disorient workers the unions are promoting economic nationalism, blaming workers in the Philippines, Mexico and other low-wage countries for taking jobs. The focus of their strategy is to offer up US Verizon workers as a cheap, highly productive workforce in order to improve Verizon’s global competitive position.

Verizon is a transnational corporation, with operations in 75 countries. An international strategy is crucial for Verizon workers to succeed, uniting with workers overseas in a common struggle in defense of jobs, wages and working conditions.

In order to give itself a “left” cover, the CWA endorsed Bernie Sanders for the Democratic presidential nomination and even timed the calling of the strike to coincide with the New York State primary. Sanders’ particular role has been to divert mass opposition to the capitalist system back into the death grip of the Democratic Party, which, no less than the Republicans, is the party of Wall Street and the rest of corporate America.

The record of the telecom unions demonstrates the bankruptcy of the pro-capitalist and nationalist program on which they are based. It points imperatively to the necessity of breaking free from the grip of these rotten bureaucratic apparatuses and building new organizations of struggle with an entirely different class orientation.

The WSWs and the Socialist Equality Party call for the building of rank-and-file committees independent of the company and the unions, as well as the Democratic and Republican parties. These committees must be genuine organs of workers’ democracy in the factories and workplaces. They must reach out to unite telecom workers with their brothers and sisters in auto, steel, transport and public workers including teachers. They must fight to unite with their allies overseas in a common struggle against the telecom giants.

But above all the working class needs a new political strategy. The Socialist Equality Party is building a mass political movement of the working class whose aim is the replacement of capitalism with socialism. This includes the transformation of the telecom giants into public utilities under the collective ownership and democratic control of the working class. This will ensure that the vast new developments in technology are used in the interests of workers and the public throughout the world, not the private profit interests of the ruling elite.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**