

As UPS, steel and telecom companies demand wage freezes

Workers in US face growing class battles

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A major conflict is brewing between workers and corporations in the United States, with employers resisting demands for any significant pay raises despite soaring profits and near record stock buybacks and dividend payouts for top executives and wealthy investors.

Labor agreements have expired or will expire over the next several days and weeks for hundreds of thousands of workers at United Parcel Service (UPS), the US Postal Service, and in the steel, telecom and entertainment industries. At the same time, teachers will be returning to their classrooms under conditions in which none of the issues that sparked strikes in West Virginia, Oklahoma, Arizona and other states have been resolved. New battles are looming involving educators in Los Angeles and Oakland, California, and other urban centers.

In each case, employers are not only refusing to relent on wages, they are doubling down and demanding new givebacks on healthcare, pensions and work rules. At the same time, corporate America, with the full assistance of the unions, is accelerating its drive to purge higher-paid “legacy” workers and transform their workforces into low-paid temps and part-time laborers without any rights.

For decades, the unions have effectively banned strikes, particularly in the aftermath of the 2008 financial crisis. In 2017, major work stoppages in the US fell to seven, the second lowest level since records began in 1947, while in the United Kingdom they fell to the lowest level since the 1890s. This has allowed a historic restructuring of class relations, with labor’s share of nonfarm national income in the US falling from 66.4 percent in 2000 to 58.9 percent in 2018—a transfer of wealth that will equal \$1.4 trillion in 2018 alone.

Since the beginning of the year, however, there has been a marked increase in the number of strikes throughout the globe. In the first six months of 2018, there were 12 major work stoppages in the US, involving 444,000 workers, more than the total number of strikers over the last six

years combined.

Opposition to the corporate-government-union gang-up is increasing.

* After an overwhelming strike vote, 230,000 UPS workers have been thrust into a direct fight not only with the giant package delivery company but also with the Teamsters. The union is backing the company’s demands for a new lower-paid class of “hybrid” delivery truck drivers and a \$15 per hour poverty wage for part-timers who make up the majority of the company’s workforce. The Teamsters union has agreed to indefinitely extend the contract beyond the July 31 expiration date in an effort to wear down opposition and push through the sellout deal.

* Though ArcelorMittal made \$5.4 billion in profits last year, up 30 percent from the year before, the giant steelmaker is demanding cuts to health insurance, which could force steelworkers to pay up to \$8,000 more per year in out-of-pocket expenses. The company, which operates mills in northwest Indiana and other states, also wants to cut pensions and reduce incentive pay, vacation pay, and family and medical leave. United Steelworkers (USW) contracts covering 30,000 steelworkers at ArcelorMittal and US Steel expire on September 1.

* Last week, thousands of Fiat Chrysler workers in Kokomo, Indiana, voted by 99 percent to authorize strike action at the company’s transmission plants, which would quickly shut down the operation of the number three US automaker.

* More than 8,000 AT&T Midwest workers in Illinois, Ohio, Michigan and other states, as well as AT&T Legacy workers, have been working without a new contract since April 14. The telecom giant, which recently completed the \$84.5 billion acquisition of Time Warner, refused to back down on its demands for healthcare and pension cuts and the evisceration of job security.

* While blocking any strike by AT&T workers, the Communications Workers of America (CWA) just announced that it would extend the contract covering

39,000 workers at Verizon by four years, more than a year before the current contract expires. The extension is really a new concessions contract that further undermines health insurance.

* More than 98 percent of animation performers, members of the Screen Actors Guild-American Federation of Television and Radio Actors (SAG-AFTRA), voted to approve strike action to fight for improved wages and residual payments from Disney and other studios that produce highly profitable animated programs for subscription-based platforms like Netflix and Amazon.

The social anger that is building up goes well beyond the 14.8 million workers still trapped in the pro-corporate unions, which cover only 10.7 percent of private- and public-sector workers, down from 20.1 percent in 1983. Tens of millions of other workers, particularly young workers, are treated as little more than industrial slaves and can barely survive.

Although the official jobless rate has fallen to its lowest level since 2000, there has been no corresponding rise in wages. Median weekly earnings in the second quarter rose by only 2.0 percent over the same period last year, even as the Consumer Price Index rose by 2.7 percent. This was the third consecutive quarter where inflation outpaced wage growth.

The rising cost of food, fuel, housing and healthcare has forced workers to take on more debt to make ends meet. Recent studies by Harvard University's Joint Center for Housing Studies found that young people—many saddled with unsustainable college debt—are living with their parents or renting longer before buying their first house.

There is immense anger growing against the Trump administration, which has handed over trillions in tax cuts to the rich and is accelerating the attack on food stamps, healthcare and other essential programs

The Democrats, who defend Wall Street and the major corporations just as ruthlessly as the Republicans, are not attacking President Donald Trump for his attacks on immigrants or new military threats against Iran. Instead, they accuse Trump of being a pawn of Moscow.

Behind this is the push by the military-intelligence apparatus for a more aggressive military confrontation with nuclear-armed Russia. In the meantime, denunciations of "Russian meddling" are being used to censor the Internet and criminalize all forms of dissent, including working class opposition to social inequality and war.

As the Socialist Equality Party insisted in its June 13,

2017 statement, "Palace Coup or Class Struggle: The political crisis in Washington and the strategy of the working class," an "altogether different conflict is developing—between the ruling class and the working class, the broad mass of the population, which is suffering various forms of social distress and is completely excluded from political life."

In order to fight, workers must break free from the stranglehold of the Teamsters, the United Auto Workers and the other unions, which are nothing more than direct tools of the corporations. New organizations of struggle—factory, workplace and neighborhood committees—must be formed, elected and controlled by rank-and-file workers and committed to the methods of the class struggle, not labor-management collusion.

These committees should establish the widest networks to unite all workers and overcome the sectional divisions imposed by the unions to divide and weaken the working class. In opposition to the economic nationalism of the unions, these committees must unite American workers with our class brothers and sisters internationally.

Every struggle—for good-paying and secure jobs, healthcare and pensions; for the right of immigrant workers to live and work wherever they choose with full citizenship rights; for high-quality public education, access to leisure time and culture; and for young people to have a future free from war, police killings and social inequality—must be united in a common industrial and political counteroffensive.

Such a struggle will pose the most decisive question: Which class shall rule? If the needs of the working class are to take priority, then workers must wage a political struggle to take power in their own hands, expropriate the fortunes of the corporate and financial oligarchy and reorganize economic and political life along socialist lines.



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