

The multi-billion-dollar business of American trade unions

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More than 7,000 workers are currently on strike at Marriott International hotels in eight US cities. The housekeepers, servers, cooks, doormen and other hotel workers, many of whom earn \$11 an hour or less, are fighting for improved wages, medical benefits and working conditions at the world's largest hotel chain.

The workers walking the picket lines have been put on starvation strike rations by UNITE HERE, which is working to isolate and help defeat the separate struggles. After a week, workers qualify for a meager \$300 per week strike benefits, or \$60 a day—though only if they have put in at least 30 hours on the picket lines.

The UNITE HERE Local 5 web page in Hawaii advises impoverished workers that it is time “to work out a bare-bones budget and ways to pay for essentials” and to “look to family and friends for emotional and/or financial support.” They add that workers should try to “raise money by selling something or eliminate expenses that don't seem essential,” and the union provides a sample letter that workers can send to creditors to try to forestall utility shutoffs or the loss of their cars or homes.

This sage council on the virtues of being frugal comes from an organization that controls massive investments, run by individuals with incomes that put them in the top five percent of the population—or higher. According to the 2017 filing with the US Labor Department, UNITE HERE President Donald R. Taylor took home \$362,034 last year. This places him in the *top one percent* of individual income earners in the US, according to a calculator created by the *Wall Street Journal*.

The secretary treasurer, Gwendolyn Mills, made \$194,762 (top 2 percent), and the union's 50 executive and international vice presidents made up to \$188,337 (top 3 percent).

These executives oversee large business enterprises. In 2016, UNITE HERE controlled assets worth over \$150 million, including marketable securities and other

investments of \$77.2 million.

Its cash disbursements for the year are even more revealing. It spent \$95.5 million in 2016. This included:

- \$30 million for “representational activities”
- \$15 million for “union administration”
- \$10 million for benefits to union officials
- \$10 million for the purchase of investments and fixed assets, including \$7 million for building improvements to its lower Manhattan headquarters, valued at over \$20 million.

In comparison, its expense for strike benefits was \$772,000, or 0.8 percent of its total expenditures for the year.

And this is only the national headquarters. UNITE HERE Local 11 (Los Angeles), for example, spent \$18.8 million in 2016 (\$0 in strike benefits). UNITE HERE Local 24 (Detroit) spent \$3.8 million (\$0 in strike benefits).

From the standpoint of the officials that control these organizations, and their army of lawyers and accountants, any strike is a drain on resources. It is an intolerable expense, no matter how minor, that must be subtracted from their bottom line and, ultimately, their own pockets.

And UNITE HERE is hardly unique. There are 189,217 union officers and staff employees with a *reported total compensation of \$3.6 billion*. Workers pay \$8.5 billion in annual dues, often deducted automatically from their paychecks, for the privilege of being sold out by these organizations.

The number of workers in unions has fallen steadily to 14.8 million, including 7.6 million in the private sector (only 6.6 percent of the workforce). The assets of the unions and the income of the executives, however, have gone in the opposite direction.

For example, the American Federation of Teachers, which along with the National Education Association has worked to isolate and suppress teachers strikes this year,

has \$129 million in assets, not including its control of *\$1 trillion in retirement funds*, which are invested in hedge funds and the stock market.

The AFT spent \$341 million in 2017, including:

- \$76 million for “representational activities”
- \$25 million for “general overhead”
- \$10 million for “union administration”
- \$20 million for benefits and ...
- \$0 in strike benefits.

Top-paid executives of the AFT are:

- President Randi Weingarten, \$514,144
- Executive Vice President Mary Cathryn Ricker, \$332,463
- Secretary Treasurer Lorretta Johnson, \$395,291.

All three are in the top one percent of income earners. The AFT and its locals have on staff almost 30 people making more than \$200,000 a year, and well over 200 making more than \$100,000 a year. Meanwhile, teachers are taking on second jobs as Uber drivers to make ends meet.

The Teamsters, which recently declared that its concessions contract with UPS was ratified despite a majority “no” vote, has assets of some \$270 million. In 2015, it spent \$190 million, including less than \$1 million on strike benefits. Its top-paid officials include President James P. Hoffa, \$387,244; Secretary Treasurer Richard Hall, \$281,845; and International Vice President Sean O’Brien, \$302,442. Hoffa is in the top one percent, while Hall and O’Brien are “only” in the top two percent of income earners.

Pay at some of the less prominent unions is even higher. Terrence O’Sullivan, general president of the Laborers’ International Union of North America, has an income of \$772,105. In the International Brotherhood of Boilermakers, President Newton Jones had an income of \$692,279 in 2017, and the next six officers made between \$456,707 and \$572,710.

In addition, the unions run mortgage, credit card, housing investment, construction and other businesses. The union managers derive lucrative income and investment opportunities from these businesses and have a direct stake in the continued inflation of the stock market, which has risen in inverse proportion to the decades-long decline in workers’ wages and living standards that has been overseen by these very same organizations.

After years, if not decades in these positions, these business managers and their counterparts in the United Auto Workers, United Steel Workers, AFSCME, etc., have no doubt become millionaires and multi-

millionaires.

It used to be said that the unions were run by a “labor bureaucracy.” To use this term to describe the current situation is to conceal reality. These executives do not constitute a “bureaucracy” that has some relationship, however distorted, to the conditions of the workers they claim to represent. Rather, they are corporate managers and executives, running cheap-labor contractors and an industrial police force.

Likewise, the term “union” is something of a historical anachronism. These organizations are not involved in “uniting” workers. Rather, they serve to divide workers from each other and prevent a struggle against the dictatorship of corporate management. Over the past four decades, they have worked to virtually eliminate the elementary expression of working-class resistance—the strike. They have a vested interest in preventing the class struggle and, above all, a revolutionary challenge from the working class against the capitalist system.

Those who insist that the unions remain “defensive organizations of the working class” want to subordinate the interests of workers to the needs of the upper middle class and ruling class. Their appeals to workers to “reform” the unions are inevitably bound up with the hope that such “reforms” will elevate themselves into lucrative positions within the management apparatus.

The working class in the US and around the world is entering into struggle against the massive inequality and social crisis that these organizations helped to create. The organization of this struggle, and its development into a common offensive against the capitalist system, requires the formation of new organizations, including rank-and-file factory and workplace committees. Millions of workers are beginning to draw this conclusion.



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