

General Electric workers reject union-backed contract

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General Electric (GE) workers in the US last week voted down a tentative agreement backed by the unions that would impose concessions on 6,600 workers. The workers opposed rising medical expenses, cuts to their retirement pensions, and changes to workplace rules.

Workers at Boston-based GE and its subsidiary GE Aviation in nearby Lynn, Massachusetts, voted down the contract proposed by Local 201 of the International Union of Electronic workers and Communications Workers of America (IUE-CWA). The IUE affiliated with the CWA in 2000.

The CWA Facebook page GE Workers United posted, “The Per Capita vote results are 1,591 yes and 2,001 no, so the contract is hereby rejected.” The prior four-year agreement expired June 23. By blocking strike action, the unions are giving the giant company time to prepare against any action by workers.

There are 11 different unions at GE in the US. The CWA is leading the negotiations. In an effort to save face among workers, International Association of Machinists and Aerospace Workers (IAM) Vice President Brian Bryant came out against the deal, saying, “It’s what we consider a concessionary contract.” IAM workers rejected the agreement.

The GE workers with IUE-CWA Local 301 in Schenectady, New York, also voted down the deal.

The company has conducted a years-long job and cost-cutting program. GE’s financial filings reported in the *Daily Gazette* showed that company employment shrank by 10 percent from 313,000 to 283,000 employees in 2018. The company’s original headquarters along the Mohawk River in Schenectady has seen a 34 percent reduction from 4,000 to 3,000 employees since March 2018.

GE is making cuts internationally, including its GE Power division, which bought Alstom’s gas turbine

segment in France in 2014. In May, GE announced the cut of 1,000 workers at its Belfort plant in eastern France.

The United Electrical, Radio & Machine Workers (UE) Locals 506 and 618 shut down and betrayed a nine-day strike earlier this year at the Westinghouse Air Brake Technologies Corporation (Wabtec) Locomotive factory in Erie, Pennsylvania. The plant was sold by GE Transportation, but GE still holds a 25 percent share.

UE and the other unions have given GE Transportation and Wabtec free rein to cut wage and benefits, as well as add new tiers. Up to 25 percent of the workforce are part-time workers.

The latest deal at Wabtec inserted language for the creation of a two-tier workforce. Like the United Auto Workers, the UE has used the euphemism “workers in progression” to label these workers who must labor 10 years before reaching top pay. The union also accepted a further restriction on the right to strike, which was demanded by the company.

Democratic presidential hopeful Bernie Sanders weighed in on the Wabtec struggle to cover up the role of the unions and keep workers tied to the corporate-controlled Democratic Party.

The giant industrial conglomerate GE was founded in 1892 by Thomas Edison with financial backing by Gilded Age robber baron JP Morgan. The giant monopoly developed manufacturing plants around the world. The fortunes of the company and American capitalism have been intertwined for its more than 127-year history. GE was symbolic of the US industrial colossus, and its decline was part of the loss of American capitalism’s hegemony in the world economy and the rise of powerful international competitors.

Former GE CEO Jack Welch personified the rise of financial parasitism, deindustrialization and the ruthless attack on the working class in the US and internationally.

The company floundered as a result of its GE Finance division's losses in the Great Recession. Exploiting its low share prices, Warren Buffett, one of the world's richest men, invested \$3 billion and then sold all of his shares in 2017 for a \$1.2 billion gain. Since then, there has been a 40 percent devaluation in share values. This has coincided with falling profits.

GE has sold off a number of its subsidiary divisions, including GE Appliance. The CWA helped impose a two-tier wage scheme at the GE Appliance plant in Louisville, Kentucky, before it was bought by Chinese-owned Haier for \$5.4 billion. Workers at the Louisville plant, which employs 6,000 workers, currently start at the poverty-level wage of \$14 per hour.

GE Healthcare, one of the largest health care providers in the world, is scheduled to have its Initial Public Offering (IPO) sometime this year.

The rejection of the union-backed contract is a sign of the growing militancy of the working class in the US and around the world. It underscores the need to build rank-and-file factory committees, independent of the unions, and to develop an international strategy to fight the global assault on workers' jobs and living standards.

The author recommends:

United Electrical Workers union offering concessions at Erie, Pennsylvania locomotive plant
[5 June 2019]

GE Appliances workers in Louisville, Kentucky reject concessions deal
[26 November 2016]



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