

Live Bait & Ammo #164

Collective Bargaining or Criminal Conspiracy?

“Emancipate yourselves from mental slavery” — *Redemption Song* — Bob Marley — 1979

I’ve got it made. I’m sixty-one years old and I’ve been retired for two and a half years. I’ve got a pension, health insurance, and money in the bank. I own my own home. I’m debt free. I’m a fortunate man, but it wasn’t luck or talent. I had a union.

In 1979 I got a job with General Motors and joined the UAW. Within ninety days I made top tier wages. The job was dull, dirty, ugly, and loud, but we took a twenty minute break every two hours which we stretched into thirty. When I made my rate early I was done for the day and the boss didn’t have anything to say but thanks.

Despite the drudgery the job had dignity. We worked like drones but we didn’t take any crap. The lines between union and management were clear and hard as the metal guard rails that border highway ramps and bridges. We ran production and foremen handed out paychecks. Good unions make good labor relations.

In the Seventies and Eighties inflation ate wages like monetized boll weevils. The purchasing power of most workers nose dived, but the UAW-GM contract included Cost Of Living Adjustments [COLA]. Every time inflation spiked our wages hiked up with it. Non-union workers lost purchasing power—a de facto wage cut deft as a pickpocket—but the robber didn’t have a face. Lacking a face or name to blame workers gave it their own and were demeaned by the very virtue of their work ethic. Without a world view independent of capitalism the only viable alternative appeared to be individual. Non-union workers—like the sharecroppers of not so long ago—docked longer hours and shouldered more personal debt to make ends meet.

The disparity between union and non-union wages was largely a result of inflation. UAW contracts never included exorbitant raises. The difference was Cost of Living Adjustments. COLA was the most valuable factor in our compensation. Unlike profit sharing, COLA accrued and compounded year after year. As union workers rode the crest of inflation’s waves, non-union workers struggled to keep their noses above water.

I made enough money to buy a house, a car, and open a 401-k. On top of that, I was vested in the pension and a contractual guarantee of health insurance in retirement. The golden handcuffs snapped shut but with a wife and three children I wasn’t complaining.

The early years of my career weren’t stress free. Twice, I was laid off for extended periods, but unemployment and SUB-pay [Supplemental Unemployment Benefits] kept me out of debt, and my UAW membership guaranteed recall rights.

When the Delphi plant where I worked closed in 2006 I had the choice to retire early or transfer to a GM plant. I chose to transfer. I had a long commute but my last two years of

work were mortgage free and I was able to pad my savings account. When I retired in 2008 with a full, thirty-and-out pension the UAW-GM contract awarded me an additional \$45,000 which I stashed—tax free—in my 401-k.

Despite the turmoil in the economy I feel secure, but not smug. In fact beneath my gloss of ease and comfort, I feel ashamed.

I never went on strike. I sopped up the gravy ladled on my plate by an earlier generation of union members. When I started as an auto worker I was handed a full platter of union benefits: meat, potatoes, cornbread, two sides, coffee, and desert. I was treated like an equal. I had my own place at the table. When I retired the legacy I relayed not only lacked sufficient calories, the plate was cracked and the table was labeled off limits to rank and file rookies.

I make more money in retirement than a new hire at General Motors.

I don't know how they expect to make it.

They are not going to make it. They will never achieve economic security. The new generation of auto workers are not destined to enjoy the standard of living my generation took for granted. This is not a recession in the classic sense of the word, it's a downscale restructuring. The state sponsored attack on collective bargaining is the final phase of the new New Deal.

UAW officials insist that workers should make concessions so they might live to fight another day. Their split-tongued prevarication is pathological. Second tier workers could get a three percent raise every year for the next thirty years and not reach the level of pay in inflation adjusted dollars that I earned when I retired in 2008.

The hole is too deep to postpone the fight for another day. The gambler who wins knows when to stop digging. If UAW members don't demand equal rights this year, they will be buried in debt before they retire. In which case they won't retire, they will expire broke and defeated—an ignominious wormish perishing.

The press commonly reports that new hires at the Detroit Three make 50 percent less than older, top tier workers, but that estimate doesn't include the deprivation of retirement benefits. When you factor in pension, retiree health care benefits, and social security, new hires make about a third or less than I did. They will not be able to own their home, buy the product they build, or retire in dignity.

Currently, UAW members at GM don't get COLA. The International UAW has indicated that they are willing to accept profit sharing in lieu of raises. Profit sharing is an inadequate exchange for COLA and wage improvements because raises accrue and compound. Profit sharing is a Rube Goldberg contraption that rides the free market roller coaster and compels workers to view other workers as competitors rather than brothers and sisters. Profit sharing like sharecropping isn't designed to let workers get ahead, it's designed to keep them in the hole. Debt peonage is a form of bondage that induces both a financial and mental slavery.

What can we expect from a union whose world view is wedded to the corporation and whose only hope for the future is hinged on reducing compensation for new hires?

The UAW International has stated publicly that the primary goal of 2011 negotiations is securing more jobs and that they are willing to expand the exploitation of second tier workers to accomplish that goal.

The local union contract at the GM assembly plant in Lake Orion, Michigan which was implemented without a ratification vote by affected members is the template. The Lake Orion bargain expands second tier workers from 20 percent to 40 percent of the workforce with the stated goal of eventually achieving one low tier workforce. The strategy is short sighted for unions and well planned by the corporations.

When it comes to labor costs there is no bottom to the bottom line. We could work for free and the masters would complain about the cost of food, shelter, and clothing. When the mechanical cotton picker made labor obsolete in the South, workers were kicked off the land and accused of freeloading. It's not enough for the owners to deprive workers of gainful employment, they must shame them in the bargain. We hear the same refrain today in legislatures where unemployment benefits are cut as free trade agreements make labor obsolete and skilled trades redundant. When capital rules the land, mercy is arbitrary and retribution is absolute.

Union bureaucrats defend Collective Bargaining rights with the outraged pride of wounded generals. But when unions negotiate wage and benefit reductions their hue and cry rings hollow as the promises of politicians the UAW helped to elect.

The counsel of despair says cut wages to save jobs. There is no evidence such counsel has ever succeeded. Work For Less is not an organizing slogan, it's tantamount to fratricide.

Don Arbogast, the retired Shop Chairman of IUE-CWA Local 717 in Warren, Ohio wrote in an e-mail to soldiers of solidarity: "I can attest to the total lack of value that comes from joining arm and arm with GM and making concessions as a way of saving our members' jobs. It hasn't worked in the past and it will not work in the future. The only thing that GM respects is a stiff spine. The IUE had 40,000 members working for GM when they started down the road of jointly sponsored concessions. Virtually every location in the IUE-GM chain had developed and implemented a second tier wage level by 1990. As soon as all the plants had given in to the second tier concept, GM demanded a third tier. By 1993 most of the IUE-GM locations had overlaid a third tier of wages and benefits. By 2000 every location would have multiple tiers of wages and benefits, some as low as \$7.00 an hour. We should have had work pouring into our plants, and our membership should have been secure and growing. Instead each year GM, and then Delphi, continued to move work out of our plants to foreign locations. The end result is this, the IUE was forced to merge with the CWA because our membership numbers had dropped so low that by the year 2000 we could no

longer maintain our independence. The year is now 2010 and the IUE-CWA has exactly zero members left working for General Motors, and 800 working for Delphi. Do second and third tier wages and benefits help protect the members jobs? A quick look at the history of the IUE with GM clearly tells you no!”

In 2003 the UAW negotiated second tier wages for Delphi workers. Today, there are no UAW members in Delphi. In 2007 the UAW negotiated the exact same pay scale as Delphi for new hires at GM. Four years later there are 30,000 less UAW members working at GM.

The assertion that concessions save jobs is peculiar in that it lacks evidence, logic, and foresight. The allegation is no more credible than Right to Work laws lead to prosperity or tax cuts create jobs. As the UAW races to the bottom Volkswagen opened a new plant in Tennessee where workers are paid about half as much as the benchmark set by Toyota. The benchmark for wages isn't upwardly mobile, it's a limbo stick. How low can you go?

A union whose world view is wedded to the corporation is condemned to contractual servitude. We have traded the goal of Collective Bargaining—take labor out of the competition—for the goal of the corporations—make workers compete with other workers for the lowest wages.

When the union strategy is the same as the corporate strategy the no strike clause makes perfect sense: shackle workers' power.

The magical thinking of Concession Bargaining conceals a false bottom.

When it comes to labor costs the bottom line doesn't have a floor, it has a trap door.

The quick fix is a trick. There is no short term solution.

The war is over. We lost. It's time to begin the insurgency.

Contrary to conventional economic punditry, wages don't cause inflation, wages chase inflation.

When wages deflate as costs rise “labor management” becomes a criminal enterprise.

UAW officials are deeply involved in counter-insurgency.

I've got it made, but my financial security was built by the union and the union's foundation has been undermined by Concession Bargaining. I've got it made, but those who came before and after me paid my way. I've got it made, but given a choice I would prefer dignity.

We need a labor movement with a world view independent of the corporation. We need a labor movement which can organize around the principle of solidarity rather than complicity with the corporate agenda.

I've got it made but I feel like an accomplice in a massive criminal conspiracy.

I hope the insurgents will let me join them. It's my last hope for redemption.

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