

THE EMPLOYERS' OFFENSIVE, THE BARGAINING ROUND AND THEIR EFFECTS ON OUR INDUSTRIAL PERSPECTIVES (SEPTEMBER 1976)

The two basic goals of our perspective for the period of 1975-78 were the construction of national rank and file opposition groups - based on at least some strong local organization - and the transformation of the IS into a revolutionary workers' organization. While this paper will not deal with the problems of worker recruitment and growth, it is obvious that success in the party building side of our perspective is dependant on success in the rank and file work.

In the context of the growing crisis of the system, we saw a situation in which a two and a half year bargaining round, taking place during an economic recovery, would open the possibility of an aggressive response by the workers in the most important industries. We said that the crisis had forced the employers to take the offensive against labor - in the contract fights, at the work place and in society at large. This offensive would tend to create confusion and cracks in the unity of the bureaucracy, which would help open things for rank and file initiatives. Rank and file action would even broaden cracks in the bureaucracy, which in turn would make the creation of rank and file opposition organizations easier. While we never expected anything to proceed neatly according to this exact pattern, those were the major elements that allowed us to believe that the time for significant rank and file motion and organization was here.

As the 1976 Convention Document on the subject pointed out, there was much evidence to point to the basic correctness of our perspective. The employers' offensive was certainly real. Splits in the leadership of some major unions were visible in the UMWA, USWA and NALC. The leadership of the IBT was on the defensive, with the centers control over key joint councils in question. Rank and file dissatisfaction was also apparent: in rubber, electrical, and the IBT.

It would be a mistake to simply say that the rank and file response was less than we expected or generally too weak to make a difference. In fact, the bargaining round, and the period in general got off to a good start with the TDC, UPSurge and now the TDU. The rubber strike and explosion of rank and file initiative in the coal mines were other indications that workers would fight the employers' offensive.

Nevertheless, a strong sense that our industrial perspective was not working has gone through the organization - problems in recruitment, periphery building, integration of new members, etc. It is also the case that part of the loss of certainty in our perspective comes from a post-strike lull in our IBT work and in the failure of the CGC to take off.

The feeling of a post-strike lull in the IBT is actually misleading. There is always a lull after a contract fight. Generally, much greater than what we have experienced in IBT. In fact, following the freight and UPS contracts a number of struggles broke out in which we were able to intervene and which have helped to build TDU (Car haulers, Schneider, McLeans) The TDU Convention was a great success and although TDU is still organizationally weak in most places, the convention reflected considerable potential strength particularly in Michigan, Ohio and Pennsylvania.

The major snag in our perspective has come in the auto industry. While it was never projected that CGC would be a repeat of TDC or UPSurge, the fact is that the response to CGC in the plants has been all but non-existent. The major action during this auto contract fight has come from the skilled trades as it did in 1973. Already organized on their own, in the ISTC, the skilled tradesmen did not turn to CGC, not did we expect them

to. CGC was designed to attract production workers and our perspective depended on their response to the contract fight. That response has not been forthcoming.

The question is: is the CGC and the UAW a particular case or have our perspectives collapsed entirely, or in some way missed the reality of today. Before going into the CGC itself, it is necessary to examine the general course of the economy and the employers' offensive.

The Economy and the Employers' Offensive

The strength and length of the recovery are a matter of great importance to us - as well as to the employers. At our Convention we pointed out that the recovery was stronger than we had thought and could be expected to last longer. Furthermore, the strength of the recovery lessened inflationary pressures, which in turn meant less pressure on workers' incomes and less pressure on the bureaucrats to produce large wage settlements. This is not the place to repeat our overall economic analysis of the period, but what is said on the specifics of this recovery must be seen in the context of that correct analysis. There can be no return for world capitalism to the stability of the fifties and sixties. The ups and downs of today take place with a backdrop of increasing crisis for the capitalist system.

Most indications are that the recovery will last longer than we predicted. Furthermore, the settlements for the first half of 1976 indicate that as far as wages go, the unions can get away with increases well within guidelines acceptable to the employers and government economic experts. For all contracts, the average first year increase was 8.4% while the average for all three years was 6.8%. These are below the 1975 levels of 10.2% and 7.8% respectively. For manufacturing, wage increases were somewhat higher - 10.7% for the first year and 7.4% average for all three years. While the 10.7% is slightly above the first year settlements of 1975, the three year average of 7.4% is below the 8% average for 1975. In other words, the relatively low levels of inflation lessened the pressure for wage increases and headed off big fights on that question. These figures include cost of living figured at 6% per year.

Generally, COL demands were more popular where there was none, as in rubber, or where they were capped, as in trucking. But most COL formulas pay little more than half the actual rate. Settlements with COL tend to be lower in straight wage increases than those without: 6.3% over three years as compared to 7.2%. With no immediate inflationary outbreak in sight, the employers did not choose to draw the line on COL. In fact, if the economists of Citibank are right, many employers prefer COL because it heads off explosions over wages in future contracts - or at least they think it does. The attitude of most employers is probably summed up in the title of a lead article in Citibank's weekly economic newsletter, "Labor is not rocking the boat."

But the strength of the recovery is, in fact, mixed. Concern among the capitalists has arisen over the fact that the expected boom in capital investment (plant and equipment) has not materialized. While there has been slow, steady growth in capital investment, it is still 8-9% below the 1974 level. Bank loans to business have actually fallen off and are 15% below the 1974 peak. Prime rates have begun to drop.

This is not the sign of an imminent recession or bust, but rather the course of the recovery will be stretched out and the boom phase pushed farther in the future. Among other things, this probably means - given other factors as they are now - low rates of inflation for the next year.

One of the reasons for the relative slowness in capital investment has been the desire

to finance growth internally rather than turning to the banks. The 1973-4 boom put incredible pressure on the credit system of western capitalism, forced interest rates sky-high and in fact, made investment difficult - for which reason there was little real expansion then. The capitalists have little desire to repeat that experience - though in the end they will do just that. There is also little doubt that the capitalists generally recognize that the credit system is still delicate i.e. capital accumulation is low.

THE CAPITALIST RESPONSE

The answer to the capitalists' problem is, of course, high profits for investment and perhaps even accumulation, and they have had a strategy for doing this. They have attempted to increase productivity without technical improvements, or large investment. That is, they have attempted to increase productivity through speed-up, loading jobs, and generally raising the level of production with a smaller proportion of workers. That is why there is still 7.8% unemployment - and rising - even while production continued to grow.

In most cases, the employers accomplished this by increasing production faster than they called workers back from lay-offs. The figures show that this side of the employers' offensive, its real heart, has been as success for the employers. In the first two quarters, (6 months) of 1976, productivity in manufacturing rose 10.9% and 9.0% respectively. Unit Labor Costs Dropped 3.7% and 1.4%

There is very little long term benefit for the employing class in the success of their offensive. It is true that it puts them in a more competitive position against other capitalist countries, but that won't alter the basic damage that the next slump will do to world trade and thus to the US economy. Increased exploitation will increase investment potential, but not even Business Week pretends that the US economy has the strength to launch the kind of gigantic capital goods boom that would be required to make a qualitative change in this recovery and stabilize the world capitalist economy. Most important of all, the success of the offensive in pushing back workers also contains the seeds of destruction for that offensive. The working class will fight back. Historically, it always has after a lag in response of a few years.

In spite of wage and benefits packages running 33-35%, labor is cheaper today than it was six months ago, so far as the employer is concerned. We can see just how real the employers' offensive has been. We can also see why wages were not the big issue from the point of view of the bosses. It was the working conditions they were fighting over. In fact, they won on both fronts. Real wages, on the average are below the 1975 levels. That is, even fairly big looking wage settlements in a period of relatively low (6%) inflation have not really made labor more expensive - or increased the workers' standard of living.

In general it has not been necessary for the employers to fight wage increases. As we can see, the economy itself has taken care of that - with the help of the labor leaders who keep wage demands within the acceptable guidelines. In part, the big publicity given to the COL as a hot bargaining issue can be regarded as camouflage for the more real fight over working conditions. Even in rubber, where the whole strike was said to be over COL, it is clear that this just took the attention off the fact that the employers had already, in the past two contracts, taken away most traditional conditions.

All of this is confirmed by our general experience in both the Freight and UPS contract fights where the issues were working conditions or related issues and not money.

Since the strikes, all of the major action and the biggest mover behind the union reform sentiment has come from the employers' offensive against traditional conditions.

Though not in the areas in which we have direct experience, it should also be noted at this stage that the employers offensive in some industries has produced actual wage cuts. This has been the case amongst public workers particularly and building workers and it has been achieved without any great rank and file response and in concert with other attacks on working conditions.

Related to the attack on working conditions is the question of jobs. Nation-wide speed-up in virtually every industry has meant continuing high unemployment; indeed, growing unemployment. They may also partly explain the lack of a fight over money - in spite of small drops in real wages. That is, with 7 million workers on the street and more people entering the work force every day, workers are reluctant to make a big fight over what would appear as enormous wage increases. Job security is a more important issue. (The UAW's demand for a few more days off is an attractive one because it seems to speak both to unemployment and to be a way to take off some of the pressure that comes from working harder - though it does nothing about those conditions themselves.)

Additionally, those who are employed remember the mass lay-offs of the past couple of years. For those who actually were laid off and are now back, there may be a sense of being fairly prosperous by comparison. For those with higher seniority there may be a feeling that it is better not to jeopardize what they do have. In any case, the continuation of large scale unemployment has at least a marginal dampening effect on potentially militancy.

Unwilling to make a big fight over wages and somewhat apprehensive over continued unemployment, many employed workers were nevertheless furious over the attack on working conditions. But in the context of a national contract fight, issues around working conditions are much harder to deal with or fight back around. After all, a wildcat or contract rejection around wages is pretty straight forward - go back and get more. But working conditions differ from place to place, job to job. Formulations to deal with these in national contracts are hard to come by. Most of the more obvious ones inevitably deal with the union and industries' political structure i.e. the grievance procedure, management rights, stewards rights and organizations, etc. Many of these are not even contract issues but issues of shop floor power and union politics.

If the issues that are really driving workers to anger and action are those that ultimately lead to the realm of union politics, then the workers must see some way to affect those politics. If the union leadership appears to be an unbeatable monolith, then the usual cynicism (You can't fight city hall) will dampen the possibilities of explosion.

FIGHTING THE BUREAUCRACY OF THE UNIONS

The question of unity in the bureaucracy as a opener on rank and file action is, of course a complicated one. It would be a mistake to simply draw the conclusion that if the top bureaucracy of a union has its act together, then we must sit around until its unity crumbles automatically. The breaks in bureaucratic unity are the result of a combination of pressures from above (the employers) and below (the ranks). Furthermore, there is the question of to what degree even a unified bureaucracy at the international level actually controls local union politics.

In the CWA, for example, the top bureaucracy is entirely united - as far as anyone can

tell. But it is a relatively unsophisticated bureaucracy and does not have the political machinery to control the locals or even all the districts to an absolute degree. In the Teamsters we saw that Fitzsimmons rules by holding together many areas that actually have a fair degree of power on their own. Furthermore, Fitz and Co. were on the run because of the attacks on corruption, the death of Hoffa, and the aftermath of Watergate. Thus it has been difficult for Fitz to intervene directly to head of TDC, UPSurge, or TDU.

The one union we are involved in that has an experienced and sophisticated political machine that runs from top right down to the local is the UAW. Our original perspective for CGC saw a growing split in the UAW leadership and the possibility that this split would become open as the two sides scrambled to take Woodcock's place. But, this open split did not materialize. In spite of early indications of such a split, the unity and discipline of the UAW Executive Board has been maintained.

This unity at the top has tended to head off a dissident response at the secondary level- with a few well known exceptions. Without significant turmoil at the top, the traditional alienation and cynicism of production workers, particularly blacks, meant not only a failure to act, but even a lack of real interest in the national contract.

This lack of interest in the national contract may also have been reinforced by what we said earlier about wages versus working conditions. Aside from the grievance procedure, which is generally beyond the reach of an unorganized rank and file, most working conditions in auto come under the local agreement. And, at least in some plants, there has been more interest and activity over the local agreement. This made it easier for workers to write off the national agreement as a hopeless cause. In the Teamsters Union, where the various supplements are directly linked to the national master contract by the ratification vote, no such dichotomy could occur.

In summary, relatively low inflation and high unemployment have put somewhat of a damper on the response of the working class to a very real employers offensive. In the UAW, unity at the top had the added effect of heading off real interest in the national contract.

Having spelled out some of the reasons for the snags in our perspective, it would be a mistake to draw pessimistic conclusions or to conclude that we simply withdraw to local propagandistic work.

In steel, the bureaucracy faces serious challenges in Sadlowski, a fight which will open things up considerably. Although our fraction is relatively new to the industry, things have been moving quickly for us. First, the agitation around women's issues which we have already played a leading role in, and second, our perspective of playing an active role in the Sadlowski campaign itself. We hope to connect with the left wing of Sadlowski's support, and the most militant elements in the union.

In telephone we are attempting to convince known oppositionists nationally, to launch along with us as individuals, a campaign around the contract. At this point, the international bureaucracy seems to have a firm grip on the union and there does not appear to be any chinks in the facade. It is thus doubtful that the political basis or the objective conditions will exist for the formation of a national ongoing opposition group in the CWA, like the TDU.

However, the Watts machine did receive some flak at the recent convention over the conduct of bargaining in 1974. It is these local oppositionists plus blacks who are still severely discriminated against in the industry, who are the potential leadership for a coalition around the contract.

The telephone workforce is also highly volatile around the contract time. A campaign on the inside, combined with aggressive work from the outside can produce for us a national network of militants that has not existed in the telephone industry previously.

In postal, our work continues to grow on a modest scale. We did extremely well at the NALE convention, especially considering our small size in that industry. Work in postal rather than disproving our perspective, has shown that with a few more cadre in the industry, we could do extremely well. At this point, our work is hampered by our small numbers and the different unions involved. We are attempting to build in specific areas. What unifies the work nationally is the fight against the employers' offensive- which in postal is exceedingly severe. The employers' offensive and the fight back are the theme of the national paper Postal Worker. Work around building the paper continues.

In auto, as has been stated before, we have suffered our biggest disappointments. We have learned a great deal from the campaign, which is not yet over. The NC will be discussing Auto in full and an assessment document will be written for the organization when the campaign ends. A few positive notes should be brought up here, however. Auto workers have not proved to be wholly apathetic and defeated. When things appeared within reach and thus worth fighting for, people moved. The fights for the COLA checks at Local 51 and the wildcat at Fleetwood are two of the most recent examples.

At this point in our perspective, it is however, necessary to refocus and in some ways scale down our expectations. In that we cannot now expect to establish national oppositions in the UAW, USW CWA and postal unions.

This fact is the major shift in our perspective. And although it marks a setback for the working class as a whole it is not a wholly negative fact. We were in a serious race for time. The protraction of the crisis expands our time and gives us additional and very badly needed space to train and build a new, revolutionary leadership in the trade unions.

Although we will not come out of this bargaining round with national oppositions in our priorities, we will come out much stronger. We will have an increased, seasoned cadre, a network of militants in our priorities, and a political periphery for the IS. We will also have accomplished a great deal in terms of method. By and large, the turn to agitation has been successful and has transformed the organization.

The mass agitational approach, including limited programs to attract maximum support will continue to be the heart of our labor perspectives, nationally as well as locally. National contracts will continue to be the best opportunity for mass agitation in most cases. This is true even if it means primarily establishing our reputation as an active force in union affairs. The major adjustment comes not so much in the different style or program of the future national campaigns, but in putting

greater emphasis on the political work done by the IS in connection with these campaigns. This change is in line with the changes proposed in the major NC documents and with the periphery building campaign. It does not mean that the various coalitions or groups we form carry heavy political programs. It does not mean that WP and political magazine coverage must be more political, analytical, and educational. It does mean that we must draw more activists from these campaigns around the IS and its activities.

It is important for us to understand that in the final analysis, the missing element in this bargaining round is less the nuances of economic conditions, but the absence in the American working class of a trained layer of rank and file leaders and activists. The launching of a successful campaign or the solidity of an opposition group, locally or nationally, is dependent on the available trained cadre. We will train much of that cadre in our ranks and periphery. Our national and local campaigns are ultimately directed at building a leadership for the class - through training and recruitment. If we succeed this time in expanding our periphery, we will have the cadre for future mass action.