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## Labor Struggles Deliver Economic Progress - Not the Cartelized "Free Market"

Contrary to popular belief, Obama has done nothing for the US labor movement but stab it in the back and betray it. The main demand of the AFL-CIO over the past two years has been the Employee Free Choice Act ...

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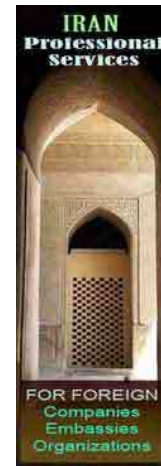
Many people in the United States mistakenly believe that the standard of living and amenities which they still enjoy are somehow the automatic result of their own merits, or else simply self-evident. Such illusory beliefs are tragically wrong. Such benefits as the eight hour day, the 40 hour week, the child labor laws, worker's compensation, the minimum wage, and the social safety net composed of unemployment insurance, food stamps, and Social Security disability payments are all the direct result of mass political struggles waged by the US labor movement. If it had been left up to the so-called "free market," none of these benefits would prevail today. The lesson is that mass organization and mass struggle deliver human progress, and not the mythologized and fetishized "free market."

The level of civilization enjoyed in the United States today is the heritage of times when trade unions were much stronger, and a much larger percentage of the workforce unionized than is today the case. Today US unions have about 16 million members representing 12.4% of the workforce, the lowest proportion since 1932. At the end of World War II, 36% of US workers had a union. In the private sector today, only 7.6% of workers are unionized. The public sector is somewhat better off, with 37% unionization, and these are precisely the unions that are now subjected to raving assaults by the reactionary Republicans, the Tea Party fanatics, think tanks bankrolled by finance capital, and neo-feudal ideologues.

The retreat of the US labor movement began on August 15, 1971, when Nixon and Kissinger deliberately destroyed the [Bretton Woods world monetary system](#), which had been one of the most important gifts to the world by the Franklin D. Roosevelt New Deal. Nixon imposed wage and price controls, meaning in practice wage controls, and went through Phase 1, Phase 2, and Phase 3 of an anti-union strategy based on the idea of "give back" – that it was time for unions to surrender some of the improvements in wages and working conditions which they had been able to obtain in the previous decades. Nixon and his Labor Secretary George Shultz also concocted the Philadelphia Plan, a scheme for playing black unemployed workers against white building trades unions, with the net result of lowering wages for all. Under the reactionary Reagan, organized labor's retreat turned into a rout with the cynical busting of the air traffic controllers' union in 1981. This egregious assault on labor rights should have elicited an immediate general strike by the entire labor movement to shut down the whole country until the right wing extremist Reagan had been forced to back down. But there was no general strike. Reagan had learned his union busting from Lemuel Boulware at General Electric, and his ability to fire the air



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traffic controllers with total political impunity set the stage for a long series of catastrophic labor defeats. Things were made worse during the 1990s by the Clinton regime's eager embrace of globalization and free trade. The outcome of all this is that the US standard of living has declined by about two thirds since the mid-1960s.

Freedom House lists 41 countries as granting full labor rights, and the US is not among them – a genuine scandal. Another reason for labor's secular weakness is the infamous [Taft-Hartley Act](#) of 1947, which made it much harder to create new union locals in any part of the United States, and made it almost impossible in the anti-union states of the South, where "right to work" laws created an almost insuperable barrier to collective bargaining. This has helped to perpetuate the oligarchical political structure and lower standards of living in the southern states down to the present day. These states have become the preferred venue for Japanese, European, and other foreign corporations wishing to escape the much stricter labor laws in their own countries, all at the expense of the American worker. The overall effect has been a disastrous race to the bottom among the states, further increasing the downward pressure on the standard of living.

Many of the abuses which plague the US trade union movement today are the direct result of weakness, defeat, demoralization, and despair. There is also the problem posed by a new and sinister model of low-wage unionism under ultra-left and multicultural cover, as pioneered by Obama crony Andy Stern at the Service Employees International Union. Here the tendency is to sacrifice militant wage demands to the imperative of getting more dues-paying members, whatever this means for the workers. Stern also decisively weakened the US labor movement by the split he piloted in 2005, creating the Change to Win Federation along with the Teamsters and some other unions as a separate entity from the AFL-CIO. Since resigning from the SEIU, Stern has joined the Bowles-Simpson austerity commission, the goal of which is to carry out a wrecking job on Social Security and whatever else remains of entitlements and the social safety net. Even after the May 6 flash crash of 1000 Dow points occasioned a mass exodus of retail investors out of the stock market, Stern is apparently still recommending that part of the Social Security trust fund be invested into toxic paper offered on Wall Street, and thus made subject to the flash trading, high-frequency trading, and other forms of algorithmic program trading which anyone can see represent an astronomical risk of such investments. Stern's devotion to Wall Street in this case is a useful indication of what he has been all along.

Contrary to popular belief, Obama has done nothing for the US labor movement but stab it in the back and betray it. The main demand of the AFL-CIO over the past two years has been the [Employee Free Choice Act](#), otherwise known as card check, a perfectly reasonable and beneficial reform which would make it easier to organize a workplace for the purposes of collective bargaining. Card check has been demonized by TV ads paid for by wealthy reactionaries which present this a proposal to level the playing field a little as the demonic spawn of Bolsheviks and mafiosi. The main thing is that Obama and the Pelosi-Reid Democrats have done absolutely nothing to get card check passed. Richard Trumpka, the feckless president of the AFL-CIO, pretends not to notice this betrayal as he attempts to marshal his forces to vote Democratic in the November election, despite the obvious fact that the Democrats have delivered for Wall Street but not for labor.

Reactionaries are still pushing the myth that the bailout of Chrysler and General Motors represented some kind of largess for the unions. Steve Rattner, Obama's car czar, notes in his new book that the motto of Obama's White House Chief of Staff Rahm Emanuel during these auto rescue negotiations was "F\*\*\* the UAW." The UAW was forced to accept the

reduction of wages and working conditions in its Midwestern plants down to the level prevailing in the runaway shop "right to work" paradises of Alabama and Mississippi, where there is practically no union at all. In addition, certain trust funds maintained for the pensions and health benefits of retirees were looted, with the proceeds being transferred directly to Wall Street predators while the UAW was given dubious shares of stock in return. Far from representing a sweetheart deal, these proceedings represented a serious weakening of the UAW.

Since public sector unions are the key remaining bastion of US labor, Obama has focused his attacks on the teachers' unions which tend to be the flagships among organized government workers. Working with his pro-corporate Secretary of Education Arnie Duncan, Obama has cooked up a foundation-funded strategy of charter schools, denial of tenure, merit pay, and mass firings of teachers which represents not just a strategy for busting the union, but for preparing the eventual abolition of free, universal, compulsory, education of any quality in the United States. This is what the Race to the Top actually portends. A tradition which goes back to the Northwest Ordinance for publicly funded schools enacted way back under the Articles of Confederation and the work of Horace Mann in Massachusetts is now under savage attack by right wing extremists and the neo-liberals of the Obama camp.

American System traditionalists know something which the reactionary rabble of the Tea Party and other Republicans cannot grasp: that the American tradition is one of a high wage economy, with high capital intensity, high-value added, high energy input, and a resulting high real absolute profit for the development of the entire society. The right wingers at the American Enterprise Institute, the Heritage Foundation, and the Cato Institute (whose libertarianism turns out to be funded by the arch-reactionary Koch family) are preparing an attack on the American middle class and its economic rights which is without precedent in recent history. As Michael Barone recently noted in the [Washington Examiner](#), Charles Murray (the racist theoretician of Bell Curve infamy, now ensconced at the AEI neocon den) is now spewing out an analysis which maintains that the vast majority of Americans ought to be denied a college education, since the low-wage jobs available to them do not require such extensive preparation. Other reactionaries are announcing the collapse of the "higher education bubble," taking advantage of depression-induced student loan defaults at certain for-profit universities serving adult students. The goal is clearly to strip the US middle class of the chance to go to college, which has been a presumed birthright since FDR's GI Bill of Rights. It is only a question of time before these reactionaries seek to popularize the workhouse, the treadmill, and the orphanage, among other Dickens-era horrors which have been circulating in the right wing echo chamber since the Gingrich counterrevolution of 1994. They hope to restore a situation in which a college education is the exclusive preserve of the rich and privileged few, but the broad middle class being completely shut out. This is the future of which the Tea Party dupes are facilitating, whether they know it or not.

Any honest trade union official must now face immediate necessity of breaking with the Obama Democratic party, and of developing a new political strategy for American working people. The strategy must involve presidential politics just as much as workplace organizing, and it must feature above all a realistic and workable economic recovery program to show the country and the world the way out of the current world economic depression. Such programs are still admittedly rare, but there is a good one displayed at the top of this website, and we recommend it to the friends of labor.

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