Labor in Focus by Marianna Wertz

Can CWA stop 'benefit gouging'?

The strike against AT&T may have the power to stop the gouging of living standards now common in company bargaining.

The largest nationwide work stoppage since the three-week 1983 strike against American Telephone & Telegraph (AT&T) by the Communications Workers of America (CWA) was launched at midnight on May 31, again by the CWA against AT&T. The walkout by 155,000 workers, representing 40% of AT&T's workforce of 388,000, includes telephone operators, manufacturing and clerical workers, as well as telephone installers.

The issue in this strike is fundamentally the same as that in smaller strikes and demonstrations by dozens of other unions: In the words of CWA leaders, they are unwilling to agree to "unacceptable givebacks in the face of hefty top-management salary bonuses plus a good company profit picture." In reality, while major corporations have shown cosmetic improvements in profit margins by diversification, large layoffs, and wage reductions, they are unable to sustain those profits, in the Reagan "recovery," without achieving substantial cutbacks in the work rules and "benefits" packages won over the years by organized labor.

The major issue in the strike is the union's fear that AT&T's proposal to create a new entry-level job category for least-skilled system-installers would restructure the system technician job category in such a way that laid-off workers might be shifted to positions paying significantly lower wages. "We will not throw those 20,000 members to the wolves," Morton Bahr, CWA president, recently told the press. He said the proposal would reduce the average weekly pay of some 20,000 technicians from $646 to $346.

The union also objects to AT&T's plan for an 8% wage hike over three years, with no cost-of-living adjustment, rightly noting that such a proposal is a wage reduction.

The CWA says it is confident it will press AT&T into concessions. "The company cannot afford a lengthy strike in this competitive field," said Fran Zucker, a union spokeswoman. Zucker said the union was prepared to "hold out" for a long time with a "substantial" strike fund.

Picket lines have gone up across the nation, while mediation began June 1 by federal mediators. The union claims that the walkout is costing AT&T $50 million a day, though AT&T did not confirm the figure. The strike has forced the utility to close 100 of its 400 work centers for long-distance operators. Zucker predicted that within two weeks of the strike's commencement, "75% of all AT&T manufacturing and 75% of all AT&T distributing will grind to a halt."

The CWA has decided to strike to prevent AT&T from going the way of the airlines industry. Bahr indicated that the company's move to gain work-rule and benefit concessions was "common" in newly deregulated industries. The CWA "has chosen to make this time and this place our stand against these unwarranted concessions."

The strike could indeed be a turning point in the series of losing battles by unions sincerely trying to stop the "concession" and "giveback" bargaining which has become *au courant* in the "free enterprise" environment created by Don Regan and his Wall Street asset-strippers. The recent collapse of the TWA flight attendants strike, in the face of intransigent demands by TWA's asset-stripping president Carl Icahn for the forced retirement of all workers with more than 10 years of seniority, was only the most glaring recent example of this.

An even more ominous precedent may be set by the proposal of the Chicago-based Inland Steel Corp., which is trying to negotiate a labor contract at its

would allow the company to lower wages any time the union negotiates a lower wage with any other major steel company. Also in steel, the recent settlement by Bethlehem Steel officials of a tentative pact cutting labor costs by nearly 10% to save the company from bankruptcy, continues the trend of concession bargaining in that industry.

The CWA strike is pitted against a multinational corporation which has been badly scathed by deregulation in the past decade. Today's workforce of 388,000 is down from 500,000 when the CWA struck AT&T in 1983. Like the airlines, the communications industry has been forced into cutthroat competition simply to stay alive.

It is possible that a well-organized and well-funded strike could force the company to turn, not against its own workforce, but against those in the administration and on Wall Street, whose policies have created the dog-eat-dog conditions in the telecommunications industry, to abandon the "recovery" and seek, instead, the American System investment policies which built AT&T in the first place. This, clearly, would be a winning strategy for the CWA.