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HIGHER PAY

A Brief History of UE Bargaining with GE SEVENTY
YEARS
OF



Bruce J. Klipple President Andrew Dinkelaker Secretary-Treasurer **Robert B. Kingsley** Director of Organization

One Gateway Center • Suite 1400 • Pittsburgh, PA 15222-1416

Phone: 412 471-8919 • Fax: 412 471-8999 www.ueunion.org • uenews@ranknfile-ue.org

hen employees are hired at General Electric, they routinely receive an "orientation" from the Company, during which they are told about GE's good wages and benefits. Indeed GE brags, with considerable justification, that GE jobs are highly desirable and that the

But the benefits enjoyed today by most GE workers in the U.S. did not happen by accident, or out of the goodness of GE's heart. They came about only as a result of over 70 years of struggle on the part of GE workers, first to establish their union in the GE chain, and thereafter to continue the work of organizing to improve the wages, benefits, and conditions of GE workers across the country.

company can "attract and retain" a skilled and productive workforce without difficulty.

The UE is the union which first organized General Electric workers during the 1930s, winning the first national contract with GE in 1938. But this momentous achievement was itself the product of many years of prior struggle.

EARLY UNION STRUGGLES

Prior to World War I, some GE workers within plants such as Lynn, MA, Schenectady,

NY, and Erie, PA had been organized into various AFL craft unions—machinists, electricians, carpenters, molders, patternmakers, etc. In Schenectady, for example, there existed some 36 craft unions, each completely separate from the others, trying to negotiate for their particular craft across a facility of over 20,000 workers.

With the end of the war came a working class upsurge in many industries, including steel, meat packing, and electrical manufacturing. There were strikes at a number of key GE plants. In December 1918 workers in Erie began a strike that lasted nearly a month. Thousands of GE workers in Schenectady, Ft. Wayne, IN, and Pittsfield, MA struck in solidarity with Erie. This was partly in response to GE's attempt to set up company unions to displace the existing craft unions. One of the Erie strikers' demands was "Recognition of all unions through their regular elected committees in discuss-

ing and settling of all grievances." In other words, they wanted real unions chosen by the workers, not phony ones controlled by GE.



UE Local 201 members in Lynn, MA cast strike ballots to launch the first national strike against GE in 1946.

The post-war labor upsurge was smashed by employers, with the active assistance of the administrations of Presidents Wilson and Harding. Many union stalwarts were summarily fired, others who were non-citizens were branded as dangerous radicals and deported. But the defeats suffered by GE workers and many others during this period provided an education in the shortcomings of craft unionism. There were deep divisions among the crafts, no place in craft unions for the bulk of semi-skilled production workers such as assemblers, and discriminatory rules and practices within the AFL craft unions.

In the wake of the postwar defeats, company unions became increasingly common. In GE, these were called Works Councils or Plans of Representation, and generally included everyone—clerks, telephone operators, time-study men, as well as production and maintenance workers. In the GE's West Lynn works for example, the Plan of Representation provided for general joint committees on a wide variety of subjects from wage adjustments, to "Safety, Fuel and Other Economies," to "Sports and Amusements." Each joint committee was comprised of three employees and three management members, with all unresolved issues ultimately left to management's discretion. Not surprisingly, GE workers fared poorly under such a system. From 1920 to 1929, while GE's profits nearly tripled, the average wage in the electrical manufacturing industry rose by less than one percent.

FROM GREAT DEPRESSION TO FIRST CONTRACT

With the onset of the Great Depression in the 1930s, the situation facing working people became increasingly dire. GE seized the opportunity to cut wages and to rescind paid vacations. By 1935, GE workers on average earned less than they had in 1923. But there survived in key GE plants a core of workers who sustained a faith in industrial unionism. Some were veterans of the militant Industrial Workers of the World or "Wobblies," which had been brutally repressed during and after World War I. Others were first- or second-generation immigrants raised in European traditions of trade unionism and socialism. These workers often maintained membership in the company unions, while quietly organizing a real union, building-by-building, department-by-department, inviting all workers to join regardless of craft or occupation.

Many years later, veteran UE International Representative Don Tormey described it this way: "In forming their union at General Electric the workers made sure not to repeat old mistakes. They organized in such a way that the rank and file would control the union, nobody would have any more privileges than anyone else, nobody with any less rights or obligations than anybody else."

Under Pres. Franklin Roosevelt's New Deal, legislation was passed making it possible for workers to hold plant elections to designate their own union. Under the pressure of millions of workers clamoring for industrial unions, the new Congress of Industrial Organizations (CIO) was started in 1935 by a handful of unions that broke away from the craft-focused American Federation of Labor (AFL). UE would become the first new union chartered by the CIO.

Within GE, workers in Lynn and Schenectady won elections in 1934 and 1936 respectively. They would be among the founding locals of the UE at our union's first convention in 1936. While GE Erie workers also had organized an industrial union, they lacked majority support. It would take them until 1940 to win a Labor Board election as UE Local 506, and become the exclusive bargaining agent for production and maintenance workers at the Erie works.

But it was one thing to win an election, and quite another to negotiate improvements from General Electric. In 1937, worker representatives from Lynn, Schenectady and four other locals attempted to negotiate a first contract with GE, but failed to reach agreement. Negotiations dragged on into 1938, when the country was hit by another major economic downturn and an accompanying counterattack by employers against the CIO. With many thousands in the industry laid off, and the CIO's early gains in jeopardy, UE needed time to organize further, to strengthen itself in existing locals, and to avoid the wage cuts which had been imposed in past recessions.

As related by James Matles, UE's first Director of Organization, in his book **Them and Us**, UE leaders hatched an idea to propose a first contract that would incorporate GE's own document Q105A, a handbook of employment policies on such topics as wages, hours, overtime, vacations, and certain shop rules.

But to GE Q 105A the union insisted on adding three critical items:

- **1.** Recognition of the union as the sole bargaining agent at its seven existing GE locals, effectively ending company unionism.
- **2.** A provision that any newly organized plants would automatically be covered by the contract, making it a national contract. This provision would be very important to the union's ability to negotiate improvements and to organize additional GE plants.
- **3.** A grievance procedure and shop steward system, with stewards in all departments, enabling workers to address their grievances directly with the department foreman. While strikes would be forbidden while a grievance was pending, workers would have the right to strike once the grievance procedure was exhausted.

This became the basis of the first UE-GE National Agreement in 1938. Only six double-spaced typewritten pages, the first contract was not impressive to look at. Prevailing general wages and conditions were frozen for at least 12 months, when the contract would be subject to modification. Nevertheless, the contract laid the basis for UE to increase its strength in the GE chain and to win major gains in the years to come.

WAR AND PROGRESS

In the decade that followed the first national contract, UE experienced great success in organizing. The victory in Erie in 1940 brought the last major unorganized GE stronghold under the national contract. In 1941, UE won a national contract with the other giant of the electrical manufacturing industry, Westinghouse Electric. The contractual gains in these early years were significant. With the outbreak of World War II, wages and other labor issues in defense plants came under the regulations of the War Labor Board. In general, there was a wage freeze imposed by the government on workers in defense plants. In addition, the UE, along with many other unions, honored a no-strike pledge to help in the war effort.

Nevertheless, the union won some important improvements, even during the war.

WARTIME GAINS

Paid Vacations

Paid vacations for the first time became guaranteed by contract. No longer could the company "modify or terminate" the vacation plan as they had in 1932.

UE 1939 Contract: Laid off employees got pro-rated vacation pay for the first time.

UE 1940 Contract: Employees won two weeks for five years of service (instead of after 10 years)

UE 1944 Contract: For the first time UE won additional vacation for employees with one to three years of service and improved vacations for others as follows:

One year's service - one week vacation

Two years' service - one week and one day

Three years' service - one week and two days

Four years' service - one week and three days

Five years' service - two weeks

UE 1947 Contract: 20 years' service - three weeks

Night Shift Differential

What shift premiums there were had been wiped out by company wage cuts early in the 1930's. These were not restored until the UE began organizing in GE.

UE 1940 Contract: For the first time, third shift workers win a 10 percent bonus; second shift is five percent.

UE 1941 Contract: Second shift increased to 10 percent.

Overtime Pay

Before UE, time and one half was the best a worker could get under any conditions, with no (continued on page 4)

WARTIME GAINS

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Saturday overtime as such, and workers on continuous operations got no overtime pay on weekends or holidays.

UE 1942 Contract: Time and on half on Saturdays as such, double time on Sundays and holidays.

UE 1944 Contract: Call-in pay of four hours guaranteed. Report-in pay of two hours guaranteed.

UE 1948 Contract: Weekend overtime as such for continuous operation workers.

Piecework Rates

Before UE, piecework rates could be cut at the company's discretion. At the time, piecework was prevalent in the electrical manufacturing industry. Even today, nearly 2,000 GE workers in Erie are pieceworkers.

UE 1943 Contract: Prohibited the company to change standard piece prices unless there was a change in method. In that event, only those portions of the job affected by the methods change were subject to price changes. Also, if the change in method did not change the job's value on which the original price had been computed, the new price could not result in any decrease in an operator's hourly earnings for the same effort.

Seniority

Before UE, foremen had absolute power to select who would be laid off or transferred. For example, the West Lynn Plan of Representation stated: "In case of a reduction of force, it is the duty and the right of the foreman to make the necessary changes in such a way as to maintain the efficiency of the work, and he will select for transfer, lay-off, or discharge, such employees as he may consider can best be spared from the job."

UE 1945 Contract

Seniority will be the "major factor" in governing layoffs or transfers during a reduction in force, and in rehiring during an increase in force. (This replaced a provision that had given the factors of "ability" and "family status" equal weight with length of service.)

Maintenance of Membership and Check-Off

UE was able to make strides towards a full "union shop" during this period. Initially, anyone could join and leave the union at will, and it was up to the union to collect dues by hand. UE 1942 Contract: New or existing members had to maintain their membership in UE for at least 60 days.

UE 1943 Contract: Union dues and initiations of UE members checked off (deducted) from pay by GE. This freed up more time for locals to enforce the contract and improve shop conditions.

UE 1945 Contract: Union membership had to be maintained for the life of the contract.

THE 1946 NATIONAL STRIKE

Major corporations like GE made record profits from war production during World War II. But while profits were unprecedented, wages were frozen for the duration of the war,

and workers endured a big increase in the cost of living. As bargaining for the 1946 contract approached, UE called meetings with United Auto Workers and United Steel Workers to coordinate bargaining strategy in these three major industries — electrical equipment, autos and steel. The unions agreed on a demand for a \$2.00 a day (25 cents an hour) general wage increase, to make up for economic ground lost by workers during the war. GE at first refused to entertain any idea of a wage increase, but later said they would consider a raise of one half of one cent per hour!

In November, 1945, nearly 500,000 auto workers struck General Motors. In GE, it was only after the union gave notice of its intent to strike that GE upped its offer to 10 cents per hour—still far short of UE's demand. James Kennedy, one of the founders of Local 506 and its first president, described the start of the strike in Erie:

"Tuesday, January 15, 1946 will always be remembered by the Union members of the Erie Works. On that day we believe, what had always been considered impossible was accomplished. Every Union member turned out in the face of one of the worst blizzards of the year, in order to see that only those with Union passes entered the plant. Committees had been set up to handle any situation that might arise."

In all, about 200,000 UE members in GE and Westinghouse went on strike from New England to California. A week later they were joined by 800,000 steelworkers who struck the basic steel industry. For the first and only time in American history, the nation's major industries were shut down by the unified action of their workers.

GE sought numerous court injunctions to limit picketing. At GE plants in Philadelphia, PA, Bridgeport, CT and Newark, NJ, club-swinging police attacked picket lines. But the strik-

ers enjoyed tremendous support in their communities, and other unions were inspired to join the struggle.

The strike was an unqualified success, ending in GE nine weeks later in March with a one-year contract with an 18.5



Local 506 members warm their hands against a cold Lake Erie wind during the 1946 strike.

cents per hour general increase. Auto and steel workers settled on the same terms. As a percent raise, this was and remains the largest wage increase ever won at GE. Just ten years after the founding of UE, the union had taken on the world's largest electrical manufacturing companies and won.

The UE contract victory in 1946 was followed by more gains

in the following two years. In 1947, GE workers gained anther 11.5 cents an hour general increase, and significantly won six paid holidays. Previously, holidays were either unpaid or counted against any vacation time an employee might have. The next year, 1948, brought an additional 8% wage increase—from nine to fifteen cents per hour, depending on classification.

COLD WAR COUNTER ATTACK

In the wake of the great success of the CIO strikes of 1946, major corporations, including GE, were determined to weaken the labor movement and to foment disunity within labor's ranks. They wanted to make it more difficult for unions to organize, to engage in political action, and to maintain rank-and-file-controlled trade unions. Nor did they want to deal with unions like UE that would challenge domestic or foreign policies designed for advancing the interests of a new breed of corporation - the multinationals.

GE Chairman Charles E. Wilson, declared in October 1946 that "The problems of the United States can be ... summed up in two words: Russia abroad and labor at home." The linking of these two "problems" was no accident, for in order to successfully carry out an attack on the labor movement, it was necessary to whip up hysteria, or as U.S. Senator Vandenberg of Michigan said, "to scare the hell out of the American people."

From its beginning, the industrial union movement had been subjected to a ceaseless barrage of charges that it was merely a communist plot to overthrow the U.S. government. Both employers and conservative leaders of the AFL, fearful of the rapidly-growing CIO, had joined in these attacks. Jim Matles told a CIO convention that "the damnable slander of communism as a line of propaganda against us started, to the best of my knowledge, on the same day the CIO was founded." With the dawn of the atomic age and the beginning of what would be over four decades of Cold War with the Soviet Union, these attacks were resumed with great intensity, and the great Red Scare of the post-war era was set in motion.

The legislative kick-off for the counter-attack against labor was Congress's 1947 passage of the Taft-Hartley Act, written by the National Association of Manufacturers and business lobbyists, including GE. Among its provisions: it enabled

employers to sue unions; allowed federal court injunctions against unions; outlawed secondary boycotts; stopped unions from contributing to federal election campaigns; allowed states to outlaw the union shop through so-called "right to work" laws; gave "free speech" rights to employers to say virtually anything to stop workers from organizing; and created in effect government licensing of unions by requiring union officers, from national president down to each officer in the smallest local, to sign affidavits swearing that they were not members of the Communist Party.

UE and many other unions, such as the Steelworkers, Mineworkers, and West Coast Longshoremen, refused to knuckle under to Taft-Hartley and rejected the government imposing political restrictions on who could hold union office. The CIO vowed to get rid of the anti-labor Congressional majority in the elections of 1948 and repeal Taft-Hartley thereafter. But under the heavy political pressures of the day, the CIO leadership caved in. Soon they condemned all third parties, demanding absolute loyalty to the Democratic Party. Moreover other CIO unions, notably the UAW, began raiding UE shops. UE voiced its objections to the CIO leadership, who refused to do anything about it.

Accordingly, UE stopped its per capita payments to the CIO and stated it would withdraw from the CIO unless the raiding stopped and the CIO ceased its interference in UE's internal affairs. In a classic case of "you can't quit, you're fired," in 1949 the CIO "expelled" UE, and within a year kicked out a total of 11 progressive unions with a combined membership of nearly a million workers. The CIO also chartered a new union in the electrical manufacturing industry, the IUE, whose original purpose was to destroy and replace UE.

YEARS OF DIVISION

The biggest beneficiaries of the split in the labor movement were employers. In 1946, over 90 percent of organized GE workers were united in one union, UE. But in 1950 there were two rival unions, UE and IUE, each with a national contract. By the middle of the decade, GE bragged that they dealt with scores of other unions, all with local contracts. Such division took its toll in GE bargaining over the next two decades.

GE was quick to take advantage of the new bargaining situation. Although the 1948 contract had contained a wage re-

opener for 1949, the company successfully resisted any increase in wages that year. In 1950, the company sought a five-year contract, with drastic weakening of seniority, protective language for pieceworkers and local understandings, as well as compulsory overtime. While UE was able to beat back these attacks, the 1950 negotiations was largely a defensive battle — as would be negotiations for years to come. Still, there were two significant advances in the 1950 UE-GE contract.

Non-Discrimination

For many years UE had sought a comprehensive no-discrimination clause in the contract. During World War II, the union filed a landmark case against GE over the company's

systematic wage discrimination against women. The company had managed to keep blatant references to "men's" and "women's" jobs in the contract. The War Labor Board upheld UE's charges and ordered equal pay for equal work. This was a major breakthrough, but with the war's end the War Labor Board was disbanded and its orders were not enforced.

In 1946, when GE Chairman Charles Wilson finally agreed to the 18.5 cents raise, he held up settlement of the national strike by insisting that women workers, whom he contemptuously called "bobbysoxers," only receive 15

cents. The union would have none of it. As Jim Matles later recollected, the strike settlement on wages was 18.5 cents, for men and women alike.

Similarly, UE confronted GE's discriminatory hiring practices against AfricanAmerican workers. The demand for a federal Fair Employment Practices law was a top UE priority for years. In 1949, as part of its political action for such legislation against job discrimination, UE presented to the Labor Committee of the U.S. House of Representatives its survey of

employment practices in major electrical manufacturing companies. Of 11 GE plants surveyed, employing over 60,000 workers, AfricanAmericans accounted for only about 2.5 percent of the workforce, invariably in the lowest-paid classifications. Black GE workers were almost totally excluded from skilled crafts, salaried, and managerial jobs.

UE 1950 Contract: A decade and a half before enactment of the federal civil rights legislation of the 1960's, UE won language prohibiting discrimination on account of race, color, creed, or national origin. It would take until 1963 to persuade GE to add "sex" to this list.

Pensions



UE Local 429 steward Felicia Carter, fired by GE for union activity, meets with UE-GE leaders to review the successful fight to get her job back, 1948.

Before UE there were no pension guarantees. The company attitude was that pensions were none of the union's business. By 1948, the average GE retiree subsisted on about \$360 *a year*. UE shocked the company by bringing retirees

Pension Provisions in UE 1950 Contract

- Retirement at 65 with 25 years for men, 60 with 20 years for women.
- Minimum pension of \$125/month, which included Social Security.
- Vested pensions after 20 years.
- Minimum \$80/month for disabled retirees with 15 or more years service.

into the 1948 negotiations to give first-hand accounts of the hardships of life for a GE pensioner. The 1950 contract, though meager by today's standards, represented the culmination of a five-year UE campaign to raise

and negotiate GE pensions.

UP AGAINST BOULWARISM

The years 1950 to 1969 became known to GE workers as the age of Boulwarism, named after Lemuel Boulware, who had become GE's Vice President of Industrial Relations in 1947. Troubled by the strength of support for the union among both employees and the general public in the 1946 strike, Boulware set out to see that GE's point of view was relentlessly communicated in its plants and in GE communities, on a wide variety of sub-

jects. Boulware hired a washed-up Hollywood actor named Ronald Reagan to host a TV show called "GE Theater" and to travel the country giving speeches on behalf of the company. The conservative message that Reagan honed in his speeches for GE—opposing unions as well as to taxes and government social programs—later became the basis for his successful entry into politics, first as California governor, later as presi-

dential candidate and "father" of the "New Right" political movement that has dominated the Republican Party from the 1980s to the present.

GE's slogan of the period was "doing the right thing voluntarily," by which it meant no longer really negotiating with its employees' unions. Boulwarism was a take-it-or-leave-it approach to bargaining. The company would make an initial proposal to the union in negotiations, accompanied by a massive multi-media publicity campaign directed at GE workers in the plants and the general public in GE communities. The company would then simply go through the motions of negotiating, but its first offer would remain substantially unchanged: take it or leave it.

At its core, Boulwarism was nothing new. All employers would prefer to dictate the outcome of negotiations. Boulware's strategy depended on the split among the unions



UE Secretary-Treasurer James Matles reports on 1966 GE negotiations to members of UE Local 332, Hudson Falls, NY.

in GE, a situation that GE had helped to create. No one union was strong enough by itself to take on the company and win. The IUE tried and failed in 1960, in a strike that collapsed after three weeks. Throughout the years of union division,

UE repeatedly called for joint consultation and action with the IUE and other unions in GE, but to no avail. As a result, GE essentially dictated the terms of six consecutive national agreements, from 1950 through 1966.

GE workers found themselves falling further and further behind workers in other major industries during this period. GE took away cost of living (COLA) protection in 1960. Even the principle of annual wage increases was lost. From 1960 to 1966, GE workers received general wage increases only once every 18 months.

Under these circumstances, discontent grew among GE workers. In 1966, UE members voted by a large majority to

authorize a strike. But UE's call for a joint strategy with the IUE was again rebuffed. President Lyndon Johnson, escalating his war in Vietnam, exerted pressure for a settlement with GE. A showdown would have to wait.

UNITY REGAINED— THE 1969 STRIKE

In the buildup to 1969 negotiations, UE again proposed a unified bargaining approach with IUE and other GE unions. With discontent among their members growing, leaders of these unions finally agreed. For the first time in 20 years, the unions pursued a joint strategy and kept in close communication. As the contract expiration drew near, representatives of the IUE, UAW, and Teamsters sat at the UE bargaining table.

But GE stuck to the Boulware

formula. Its first and final "offer," complete with the usual publicity barrage, was delivered three weeks before the contract expiration, and didn't change thereafter. The wage offer was only 20 cents the first year, with a skilled adjustment, and nothing guaranteed in the second and third years, merely wage reopeners. GE also set out to erase two critical contract

provisions present in the UE contract since 1938. The company proposed that newly organized shops **not** automatically come under the National Contract. This would pave the way to eventually scrap national bargaining altogether. GE also demanded the right to lock out workers of an entire plant when workers in one building or department conducted a grievance strike. This would seriously weaken the union's right to strike over expired grievances.

In October 1969, over 150,000 GE workers walked out in the first national strike against the company in 23 years. They would endure through one of the coldest winters in memory.



UE Local 751 members in Niles, OH welcome holiday gifts and financial support from a neighboring UAW local during the 102-day GE strike in 1969.

GE spent millions of dollars on newspaper, radio, and TV ads to undermine the strike. But as in 1946, GE strikers had

CONTRACT RESULTS OF 1969 STRIKE

- 1. Fifty cents in general increases
- 2. Restoration of COLA for the first time since 1960, with annual COLA, but capped at eight cents per year.
- 3. For the first time, paid sick and personal days were won for hourly workers.
- 4. For the first time, a five-week vacation (after 30 years), plus four weeks at 15 years.
- 5. Guaranteed pensions increased from \$4.50 to a range of \$6.50 to \$7.50 times years' service.
- 6. A 50% increase in the weekly short-term disability maximum from \$100 to \$150.
- 7. Major insurance improvements, raising inhospital coverage to 100 percent from 85 percent; more than doubling surgical expense coverage, and increasing coverage for doctors and drugs from 60 percent to 85 percent of covered expenses.
- 8. Some 26 contract language improvements, including automatic progression to job rate, replacing the old "merit system." All improvements applied to salaried workers as well. The contract settlement also overcame GE's attempts to undermine the national contract and the right to strike.

widespread support in their communities and in the entire labor movement. GE attempted a "back to work" movement around the Christmas holidays. It was a complete flop. Soon after New Year's, GE started to negotiate. The two sides reached a settlement in February, after 102 days on the picket lines..

The most significant result of the strike lay not in the details of the settlement, but in the unity built among GE workers of all unions on the picket lines. Boulwarism was defeated. The 1969 strike made it possible for GE workers to win significant improvements in years to come, without the need for a strike. As 1973 negotiations approached, UE was invited to formally join the Coordinated Bargaining Committee (CBC) of GE unions. The CBC ever since has been the

vehicle bringing together all the unions in the common pursuit of justice for GE workers.

PROGRESS RESUMES

In the years following the 1969-70 strike, bargaining with GE remained difficult, but unlike the Boulware era, the contracts were the products of genuine negotiations. GE workers had forced the company to respect their strength, and UE was able to make considerable headway in the years that followed.

HIGHLIGHTS OF BARGAINING AFTER 1969 STRIKE

Cost of Living (COLA)

Inflation was rampant in the 1970s, so this issue was perhaps the most important of the decade.

- UE 1973 Contract: The eight-cent cap (24 cents total) was raised to 41 cents over three years.
- UE 1976 Contract: COLA uncapped, but no protection between 7 percent and 9 percent inflation.
- UE 1979 Contract: Uncapped COLA with no limits for first time, with adjustments twice a year instead of annually, and greatly improved COLA formula. Numerous formula improvements have been negotiated since.
- UE 1994 Contract: Additional COLA at end of contract added three months of COLA coverage.

Paid Time Off

- UE 1973 Contract: A tenth paid holiday; two and one half weeks vacation for five years, five weeks for 25 years.
- UE 1976 Contract: For the first time, six weeks vacation, paid after 30 years.
- UE 1979 Contract: Three weeks vacation after seven years.
- UE 1982 Contract: Five weeks vacation for 20 years.

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POST '69 HIGHLIGHTS

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 UE 1997 Contract: Martin Luther King birthday as the 11th paid holiday.

Pensions and Early Retirement

- UE 1973 Contract: Full unreduced pension at age 62, down from 65.
- UE 1979 Contract: Early retirement with full unreduced pension lowered to age 60.
- UE 1985 Contract: Early retirement supplement improved to \$8 times all years of service. A cap of 25 years on this benefit was removed.
 By 2003, the supplement had increased to \$16 times all years of pension service.
 In every contract, UE was also able to negotiate improvements in the amount of guaranteed pensions, which now range from \$33 to \$60 per month times years of service, depending on earnings. Many UE members receive more

Medical Insurance

The union has also substantially improved retirees' medical and prescription drug plans over several sets of negotiations.

under a career earnings formula.

 UE 1979 Contract: A comprehensive dental plan, including full coverage for diagnostic and preventive care, is won for the first time.

- UE 1982 Contract: First-time coverage for vision care.
- UE 1985 Contract: Orthodontic coverage for children is added to dental plan.
- UE 1988 Contract: Coverage added for mental conditions and substance abuse.
- UE 1991 Contract: Coverage added for certain preventive care including pap smears, mammograms, and colon and prostate screens.

Wages

General wage increases were highlighted by a 60-cent increase won in 1976 and a seven percent raise in 1982. By 2006, the average wage of UE members in GE exceeded \$25 per hour.

Union Security

A major breakthrough occurred in 1979 with the negotiation of maintenance of membership for the life of the contract which effectively returned the situation to what the UE had negotiated in the 1940s and which had long before been lost to Boulwarism. In 1985 the agency shop was won, which obliged non-members to pay a service fee equivalent to union dues.

GE'S ASSAULT ON JOB SECURITY

By the 1980's, GE workers were faced with another set of challenges. New GE chairman Jack Welch, soon nicknamed "Neutron Jack" (after the neutron bomb, which wipes out people but leaves buildings standing), launched a massive program of downsizing, subcontracting, work transfers, plant closings and sales of businesses, and the relentless "globalization" that continues to this day. While job losses were not new in GE, Welch's downsizing attack was more systematic and thoroughgoing than anything that had preceded it. One GE vice president declared that any plant or product line that did not meet GE's excessive profit expectations would have to "automate, emigrate, or evaporate."

In 1982, GE announced that production of some capaci-

tors would be moved to GE's facility in Juarez, Mexico, where workers were paid an average of 78 cents an hour. This move cost 300 jobs of Local 332 members in Ft. Edward, NY, in addition to the 600 workers GE had already laid off there. The same year GE announced its intent to close its efficient and high-quality foundry in Erie, after 72 years of operation. Shortly thereafter Local 506 was hit again, with GE's move of the diesel engine division to non-union Grove City, PA, costing the Erie plant nearly 400 jobs. No local escaped unscathed from GE's job cutting offensive.

These trends were not unique to GE. By the 1980s, foreign subsidiaries of U.S. corporations were the largest single source of imports to this country. There was a wave of "runaway" shops to non-union areas. To this was added a heightened

emphasis on subcontracting, automation, and old-fashioned speedup. The attack on unions was supported and encouraged by the Reagan administration, which signaled "open season on unions" when it broke the PATCO strike in 1981 by the mass firing of federal air traffic controllers.

Some unions during this period adopted the tactic of contract "concessions" in a futile attempt to save jobs. Others joined in various labor-management "cooperation" schemes, such as "quality circles" and "quality of

worklife," that bore a striking resemblance to the company unionism of the 1920's. When asked why UE seemed to be out of step with some other unions on quality circles, UE Secretary-Treasurer Boris "Red" Block responded, "We're in a different parade, marching to the beat of a different drummer." UE members spent the decade in struggle against the employer offensive.

One notable example was in Ontario, CA where workers had made electric flat irons for nearly 80 years. In 1981 GE announced that it was closing this profitable plant and transferring the work to Singapore, Mexico and Brazil, throwing a thousand employees out of work. The company claimed that consumers were demanding plastic rather than the metal irons produced by UE Local 1012 members.

The local union responded with an aggressive campaign to stop the plant closing. They exposed the fact that the plastic iron idea came from GE marketers, not the public, and that demand for metal irons remained high. It was a case of corporate greed over consumer need. The UE members' fight back attracted enough attention that CBS News devoted a seg-



Three generations of the Bale family, UE Local 1012 members, build GE irons in Ontario, CA plant and participated in UE's 1981 fight to save the plant. From left, Elmer Bale, who retired in 1968; his sons Charles and Bob (Bob had 38 years service); Bob's daughter Linda, and her brother Michael. Los Angeles Times Photo.

ment of *60 Minutes* to the Ontario struggle. It was not the type of publicity that GE was used to.

Ontario workers were ultimately unsuccessful in saving the plant, but they remained unbowed. On the final day of operations, they conducted a mock funeral for the metal iron outside of the plant. Some of the workers were able to get jobs at GE's jet engine repair shop in Ontario, represented by UE Local 1010.

The Ontario struggle helped set the stage for GE national negotiations in 1982. The company, though far from finished with its "restructuring" agenda, was forced to give ground on issues that tread on what GE considers the sacred ground of "management rights." Indeed the subject of job and income security became the most intensely contested issue over the next several rounds of national negotiations.

JOB AND INCOME SECURITY

Income Extension Aid (IEA)

IEA for laid off workers originally was paid only after Unemployment Compensation ran out. In 1973 the principle was established that IEA would be paid up to 50 percent of pay concurrently with U.C. The percentage was raised to 60 percent in 1976, 70 percent in 1994, and 75 percent in 1997.

Notice of Job Loss Events

For the first time in 1982, the company agreed to at least six months notice of a plant or product line shutdown, and 60 days notice of automation that would result in job loss. Previously there had been no notice requirement. In 2000, notice of a plant closing was increased to one year.

Severance Pay

Severance pay for workers affected by a plant closing was substantially increased in 1982 to two weeks pay per year of service for employees with 15 or more years, and 1.5 weeks per year for employees with less than 15 years.

Preferential Placement

Gained in 1985, preferential placement enabled employees affected by a plant closing to apply to up to three GE plants within a 250 mile radius. In 1988, this was broadened to include GE plants nationwide, up to three years from the date of layoff, with relocation assistance of up to \$1,500. Eligibility was extended to employees affected by work transfers, subcontracting and automation. Negotiations since then have extended preferential placement up to five years, with up to \$6,000 relocation assistance.

Rate Retention

In 1982, the union won rate retention for the first time. Employees affected by transfers of work or automation would retain their rate of pay for 26 weeks. In 1985, rate retention was increased to 39 weeks and coverage extended to salaried workers. In 1988 it was extended to 52 weeks, and in 2000 to 78 weeks.

Special Supplement

In 1985, a special pension supplement of \$200 a month, on top of the regular early retirement supplement, was negotiated for workers retiring within three months of reaching age 60 with 25 or more years of service. This would encourage more workers to retire early and open up jobs for younger workers. Several negotiated increases since then have raised the monthly amount to \$350.

Voluntary Retirement Bonus

In 1985, workers age 60 with 15 years became eligible for a voluntary retirement bonus of \$5,000 in the event of certain job loss events affecting their classification. This amount has been increased over several sets of negotiations and presently is \$14,000.

Special Early Retirement Option (SERO)

SERO was first won in 1988, giving workers age 55 to 59 with 25 or more years, in jobs affected by any indefinite job loss event, the right to retire with full pension, supplements and medical insurance. This not only enabled early retirement before age 60 to those who wanted it, but helped many younger workers avoid layoffs or downgrades. In 1997, SERO was extended to workers younger than age 55 with 30 or more years in certain limited circumstances.

SERO Window

Also first won in 1988, the window enables older eligible workers to retire, along with the recall of laid-off workers, on a one-to-one basis. There have been seven SERO windows from 1988 to 2005. In 1997 the pool of potential replacements was broadened to include former employees who had lost recall rights. Window eligibility was also extended to workers age 50-54 with 30 or more years. In 2000 negotiations, the SERO replacement pool was broadened to include upgrades and qualified new hires.

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Plant Closing Pension Option (PCPO)

First negotiated in 1991, PCPO enabled workers as young as 50 with 25 or more years, and as old as 55 with as little as 10 years, to receive an immediate unreduced pension in the event of a plant closing. In 1994, PCPO was extended to workers under age 50 with 30 or more years.

Decision Bargaining

In 1986, UE Local 618, representing non-exempt salaried workers in Erie, learned that two salaried departments, the mailroom and photo lab, were to be subcontracted. GE had sent the information to the local newspaper before bothering to inform the local. When Local 618 requested bargaining, GE maintained that since UE had negotiated certain benefits for workers affected by subcontracting, the union had "waived" its legal right to bargain over the decision itself.

Local 618 filed charges with National Labor Relations Board (NLRB) and eventually won in a

case that went all the way up to the U.S. Circuit Court of Appeals. GE was forced to restore the subcontracted work with back pay, and rebuild the photo lab. As a result, in 1991 negotiations, language was added which provided that GE undertake decision bargaining with respect to plant closings, work transfers and subcontracting, with a minimum six month notice. While this hardly stopped job loss, it did give the union access to information regarding GE's proposed actions, and additional time to organize a fight back.

The union built on this to negotiate **job preservation steering committees** in the 1997 Contract, which provided for discussion of job creation opportunities, as well as potential outsourcing, before GE had made any decision to do so. In 2002, UE Local 506 in Erie made use of an aroused membership and an active local jobs preservation committee to derail initial company plans to subcontract over 200 jobs. The local preserved 167 jobs in the process.



UE-GE retirees play a vital role in contract struggles. Members of the Erie retiree group RAGE (Retirees Association of General Electric) were joined on April 20, 2007 by Local 506 stewards in a rally for increases in current retirees' pensions.

THE STRUGGLE CONTINUES

By 2003 Article XXIII, the Job and Income Security section of the UE-GE National Contract, ran to some 35 pages. But while the effects of GE's job-slashing policies had been somewhat cushioned, GE continued to pursue an overall strategy of globalization and job elimination. In 1998 Jack Welch came to Erie and stated his idea of loyalty to the workers and communities that have built GE: "Ideally, you'd have every plant you own on a barge." Not surprisingly, the issue of job and income security remains of critical importance to GE workers.

On another front, the union in recent years has been forced to fight numerous battles over medical insurance. Every GE negotiation since 1985 has seen contentious bargaining over company efforts to shift its medical costs onto the backs of employees. In January 2003, in the midst of bitter cold weather at most plants, UE and IUE-CWA members joined together in the first national strike in GE since 1969. This two-day walkout protested GE's reopening of its insurance plan to stick workers with co-pay increases, only a few months before the contract was to expire.

On the strike's first day, in Louisville, KY, an IUE-CWA striker and mother of three was killed when she was accidentally hit by a police patrol car. It was a grim reminder that genuine struggle has always involved risk and sacrifice.

As we reflect on the past, it is clear that our union has achieved a record in the GE chain in which we can take justi-

fiable pride. Many present day contract provisions are a far cry from what our union's pioneers could have envisioned back in the 1930's. Nevertheless the challenges facing the present generation of GE workers remain daunting.

Ten years ago, a UE publication stated as follows, "The corporate elite has never been more entrenched, their political servants in Washington have never been more arrogant and contemptuous towards workers." A decade later, the Bush administration has taken arrogance towards workers to new levels, while corporations such as GE have continued ferocious and often illegal opposition to any and all union organizing campaigns. Moreover, corporations have mounted an assault on medical coverage and defined benefit pension plans that union members fought for, and have relied upon for decades. These are among the challenges facing the present and future generations of GE workers.

But it is the rule, rather than the exception, that the labor movement has always been confronted by profound crises and formidable adversaries. Those leaders who long ago established the union in the GE chain did so in the face of incredible obstacles. Relying on the principles set forth in the UE Constitution—unity, aggressive struggle, and rank-and-file control—they established and passed on to us a tradition of democratic unionism in General Electric. We intend to carry on that tradition in the years ahead.

Text by Stephen Tormey, Secretary, UE-GE Conference Board.





Local 506 members walked the picket lines for two bitterly cold days, as part of the January 2003 national protest strike against GE's health insurance cost shifting.





We The Electrical, Radio And Machine Workers (UE) form an organization which unites all workers on an industrial basis, and rank-and-file control, regardless of craft, age, sex, nationality, race, creed, or political beliefs, and pursue at all times a policy of aggressive struggle to improve our conditions.

-From the PREAMBLE to the UE Constitution

