

# When Work is Valued We All Prosper

When workers at a GM plant in Indianapolis voted against a contract that would cut their wages in half, pundits in the business class claimed that those workers were responsible for reducing property values, sinking tax revenues, and destroying opportunities for young workers.

Where are these self appointed pontiffs when corporations export jobs instead of products? Or when drug companies say, “Your money or your life”? Or when corporations extort tax abatements from cities and states? Somehow the capitalist ethic of buy low sell high does not apply when it comes to labor. Somehow, workers like soldiers are expected to die for the generals of commerce.

When businessmen pursue their own self interests, they are put on pedestals. When workers pursue their own interests, they are accused of being selfish and destructive. Who devised these shifty standards of measure?

Is Governor Daniels offering to cut his salary? Is the Chamber of Commerce ready to donate half their pay for the good of the community? Can you, dear reader, live on half your income?

The business press treats workers who decline a fifty percent pay cut as if they were sociopaths. They would never expect a businessman to cut his profits in half. Yet they act surprised when workers value their labor on the same scale as their counterparts in the front office.

The prospective buyer of the Indianapolis plant, J.D. Norman, could have bought the plant from GM and honored the existing contract until next year when he could legally and responsibly re-negotiate. For that matter, under the current contract he could have hired new workers for \$14.00 per hour. But Norman isn't in the business to save property values and tax revenues for Indianapolis. Norman wants to enrich himself at the expense of workers and the community.

State and local officials offered Norman \$2 million in tax incentives to purchase the plant. It wasn't enough to satisfy him. He expected workers to debase their pay grade so he could extract more profit from the community. He wasn't concerned with the effect on property values when all those workers lost their homes in foreclosure as the result of a fifty percent pay cut.

J.D. Norman, a 34 year old stock broker who fancies himself an industrial turnaround specialist, has been scooping up metal fabrication plants at bargain basement prices since the auto depression began in 2005. Among his scavenged properties are two automotive supply plants in Mexico.

In 2008 workers in one of his turnaround plants — KL Industries in Addison, Ill. — were laid off and certified as dislocated by imports: thereby eligible for federal grants. That's why vulture capitalists call themselves turnaround specialists. They buy bankrupt companies at fire sale prices, then “turn around” and dump liability for pensions, health care, toxic clean up, and unemployment on the government. After the balance sheet has spun through a wash and rinse cycle, they sell the assets for a fat profit.

Norman doesn't have a vested interest in Indianapolis. He doesn't care about the city or its workers. This predominant attitude among the business class that workers should bear the burden of sacrifice while the Normans of the world profit off our

distress is offensive and confounding.

The devaluation of work is self defeating for labor and business alike. If we earn less, we spend less. If we spend less, business declines and more people are impoverished. We can't degrade workers without degrading consumers. We can't degrade consumers and expect business to boom. It isn't logical.

Wage cuts don't stop at the union door. The deterioration of wages is not limited to workers who do skilled and dangerous work like metal fabrication. When union workers take wage cuts, everyone is effected except the J.D. Norman's of the world.

Have auto companies lowered the price of cars because of the recession? Have utility bills been reduced since the economy collapsed? Have credit card companies lowered interest rates? How is it that only the price of labor is reduced?

The ratio of CEO pay to average worker pay in Japan is 11:1. In Germany it is 12:1. In the USA it is 475:1. If American CEO talent justifies the disproportion, how does one explain the difference between GM and Toyota?

In the fiscal year that ended in March 2007, Toyota's top 32 executives together earned \$19.9 million total compensation. For the comparable period, one single GM executive, CEO Rick Wagoner, raked in \$10.2 million. In America we reward CEOs who can't hit a waste basket and trash workers who know how to make things.

J.D. Norman doesn't bring expertise or innovation to the table. All he brings is an axe to wages and a \$2 million handout from the state. Norman insisted on a contract with UAW members because he needed their expertise. He doesn't know how to fabricate metal. GM wouldn't let him walk through the plant unattended for fear he would hurt himself.

The contract that Norman offered UAW members would permit him to allocate work to his factories in Mexico which he siphoned from other GM-UAW plants. He didn't offer job security to the workers or the community. Does anyone imagine that he would invest his profits in Indianapolis? The notion that Norman intended to save manufacturing in Indianapolis is naive, baseless, and uninformed.

The notion that we can expect honest, objective, business journalism from a news service on the corporate payroll is likewise naive, baseless, and uninformed. If you are going to accept the fox's opinion as fact, you may as well consult a bottle of gin.

The workers at the GM plant in Indianapolis acted in accordance to the dictates of their collective conscience and social values. They understood that if they agreed to accept a wage cut, it would undermine compensation for other workers in plants doing similar work and set in motion a wave of diminished expectations for future generations. They deserve commendation for rejecting the conventional wisdom that workers should sacrifice for the good of the ruling class.

UAW Local 23 took a stand for the middle class in America. They deserve our applause. Finally, someone said it loud and clear: we aren't going to take it anymore.

When more workers stand together and reject concessions, we will all prosper.

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