The One-Sided 40 year Class War

Political Training
There’s class warfare, all right,” Mr. Buffett said, “but it’s my class, the rich class, that’s making war, and we’re winning.”  
– The New York Times, 11/26/06
It’s a National Strategy

2012
● December - Right to Work in Michigan
● August - GOP platform calls for national Right to Work, making public sector dues deductions illegal
American public sector unions lost 230,000 members 2011-2012

2013
● Republicans filibustering NLRB appointees

Now
● RTW in Missouri, Pennsylvania, Kentucky
● Paycheck deception TX, MO,
Attacks on bargaining rights, 2011-2012

- No collective bargaining laws
- Attacks on bargaining signed into law
- Attacks on bargaining introduced with significant support
- No bargaining AND attacks on bargaining
Peoples movements – Victories for the 99%

- Politicians are conflicted
- Power is ever changing
- Power for working people is only found within our own ability to organize and drive an agenda
In 1932, the Bonus Army came to Washington to demand payment of WW I pensions and for government assistance to the unemployed. They were shot down in the streets by General McArthur’s troops but set the stage for reform under FDR.
Why Do We Build Independent Power?

Black Tuesday, Depression Begins
FDR takes office, New Deal Begins
FDR cuts spending, “Roosevelt Recession”
1937 budget increases spending for jobs
Mass movements have won victories for working people in the past

- National Labor Relations Act, 1935
- Social Security, 1935
- Unemployment Insurance, 1938
- Fair Labor Standards Act, 1938
  - 40-hour work week
  - Minimum Wage

Victorious UAW Sitdown, at Flint, MI 1937

Unemployed Demonstration NYC 1932
Victories of the Civil Rights – Great Society Era

- Civil Rights Act of 1964
- Voting Rights Act of 1965
- Medicare, 1965
- Medicaid, 1965
- Food Stamps
- Head Start
Victories of the 70s and After

- Creation of the Occupational Safety and Health Administration – 1972
- Clean Air Act – 1970
- Clean Water Act – 1972
- Americans with Disabilities Act – 1990
- Family & Medical Leave Act – 1993
- State Health Insurance Program (SCHIP)
What do these victories have in common?

- They were won through mass mobilization and political action by working people and their allies
- Each one forced the U.S. government:
  - To create new social benefits for tens of millions of Americans
  - To establish new legal protections and rights for working people and people of color in the workplace or community
  - To create new regulations on business

Each one curbed corporate power and benefited ordinary working people
Corporations strike back

“It took fourteen years to rid this country of prohibition. It is going to take a good while to rid the country of the New Deal, but sooner or later the ax falls and we get a change.”

-- Alfred P. Sloan, CEO General Motors, 1945
Corporate Elite Feared Rising Tide of Anti-Corporate Sentiment
“Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations.”

“Businessmen have not been trained or equipped to conduct guerrilla warfare with those who propagandize against the system…”

Staff of scholars, Speakers Bureaus, Evaluate Textbooks, “Equal Time on Campus”, “Balancing of Faculties,” High School Programs, TV, Scholarly Journals, Paid Advertising, Aggressive Court Action

“Business must learn the lesson, long ago learned by labor and other self-interest groups. This is the lesson that political power is necessary; that such power must be assiduously cultivated; and that when necessary, it must be used aggressively and with determination — As unwelcome as it may be to the Chamber, it should consider assuming a broader and more vigorous role in the political arena.”
1970s: Corporate America on the Offensive

- Attack on Collective Bargaining and Unions
- Attack on Government Regulation
- Attack on the “Social Wage” – Government-provided social benefits that provide economic security and a higher standard of living for working people
Employers on the Offensive

- Formation of Business Roundtable, 1972
- Justin Dart, 1978: “A company that doesn’t have a PAC is either apathetic, unintelligent, or you’ve got a death wish.”
- PACs rise from 89 in ’74 to 821 in ’78
- Richard Lesher, became president of Chamber of Commerce in 1975:
  - "It worked wonderfully well. The Chamber policies and the Reagan policies coincided from top to bottom. He came in knowing the Chamber would be the key place to get input."
A Global “Neo-Liberal” Counterattack

US-Backed Coup against democratically elected left government in Chile, 1973;
Election of Margaret Thatcher in UK in 1979;
Election of Reagan in 1980
The “Neo-Liberal” Program

“...a project to achieve the restoration of class power to the richest strata of the population.”

- Create a “good business climate” no matter what the social impact.
- Privatization of public assets, like schools, health delivery, prisons, etc.
- Cut public spending on education, health care and social services; neo-liberalism hostile to all forms of “social solidarity” such as unions
- “Business interests get to write legislation”
- “The neo-liberal state is particularly solicitous of financial institutions....State power is used to bail out or avert financial failures.”
- “The neo-liberal state is profoundly anti-democratic....” What is left of democracy is undermined by massive corporate campaign contributions.

-- Professor David Harvey, “Neo-liberalism and the Restoration of Class Power”
What’s it mean to workers?
Private Sector Unions Almost Destroyed

- 1933: 15.5%
- 1939: 35.7%
- 1945: 22.5%
- 1953: 10.9%
- 1962: 6.9%

We Produce More But We Earn Less: Bargaining Power Matters

- Productivity
- Wages
- Unionization
The Agenda

- For the last 30 years, Big Business has worked this agenda with every resource it has:
  - Global race to the bottom through NAFTA, GATT, Fast Track, FTAA . . .
  - Privatize social benefits and social services
  - Abolish negotiated benefits like pensions and health care that are critical to the standard of living of working people
  - Cut taxes for corporations and the wealthy
  - Break the power of unions
Massive Deregulation

- Airlines, 1978
- Trucking, 1980
- Telecom, 1984 and 1996
- Electricity, 1992
- Oil and Gas Extraction, 1980
- Finance, repeatedly between 1978 and 2000
Decreasing Tax Rates for the Wealthy
Rising inequality

Gilded Age

Great compression

Middle class America

Great divergence
The Last Remaining Bastion of Power

Percent of Public Sector Workers in Union
(2010 Estimate: 35.9%)

http://unionstats.gsu.edu/
Financial companies won far-reaching deregulation which led to increasingly reckless speculation and complex investments....

- 1999 – Historic banking deregulation bill breaks down separation between commercial and investment banks
- 2000 – Commodities Futures Modernization Act
- Larry Summers and Robert Rubin block regulation of derivatives
- Rise of highly speculative, complicated investment vehicles such as “collateralized debt obligations” and “credit default swaps”
- Create a $60 trillion market in mortgage derivatives
1999: Gramm-Leach-Bliley Act

Glass-Steagall Act of 1933
Opening the Door to Reckless Speculation
Why Was Nobody Held Accountable?

Campaign Contributions from the Financial Industry

- 2000: $315,000,000
- 2002: $205,000,000
- 2004: $365,000,000
- 2006: $240,000,000
- 2008: $585,000,000

Information from the Center for Responsive Politics
Senator Warren Asks Why

Elizabeth Warren, Senator from Massachusetts asks a fundamental question:

What should the bankers do?

The nation's six largest banks alone are on track to pay their bankers a staggering $143 billion*

*bonuses, benefits and compensation ("bonus and compensation")
If Wall Street pumped this money directly into the economy instead of paying it to its bankers, it could create 3.6 million new jobs...
But We are Starting to Fight Back
Occupy Movement was brief but changed national debate
Occupy Foreshadowed an Electoral Shift as well
They only call it a class war when we fight back!

Koch brothers rule Wisconsin governor
Now it’s our time to build a movement!

- Build workplace power
- Organize
- Build CWA political power
- Reach out to build alliances with civil rights, community, religious, and environmental groups
- Build independent political power