

N.Y. Transit Workers Get Brazil Contract; Beame Bankers Ask For More

April 3 (IPS) — The leadership of New York City's most militant union, the 34,000 member Transit Workers Union, has accepted in principle a labor settlement modeled after the fascist union-busting Brazilian indexation schemes that have left that country's workforce broken, diseased, and on the edge of extinction. The chief features of the contract are a wage-freeze, a cost of living escalator indexed to a fraudulent consumer price index, and a joint management-labor committee, modeled on Mussolini's programs, to ensure required rates of speed-up. By these measures, the city has made the negotiated package "cost free."

Transit Workers Union chief Matthew Guinan sheepishly tried to convince his membership that this "is the best we could do with or without a strike." Moments later the Emergency Financial Control Board, (EFCB), Wall Street's instrument of control over New York City, leaked to reporters that the Brazilianization of the New York workforce is not enough to ensure the ultimate soundness of its \$12 billion debt structure. Empowered with authority to veto the final settlement, the EFCB let it be known that it plans to strike out cost of living increases even if offset by Brazilian levels of speed-up. Mayor Abe Beame, a member of the EFCB, proudly advertised that New York City workers are docile and will accept this and more: "No group of employees in the country have cooperated to the extent that New York City employees have. If you think the employees' cooperation is finite, ask them how much austerity they will accept."

U.S. Brazilian Model

Although some may regard the Brazilianization treatment unique to New York City's municipal workforce the U.S. capitalists do not. A full-scale campaign is underway to make New York City the object lesson for the rest of the nations organized and unorganized workforce. The Journal of Commerce, the nation's leading business daily announced in a front-page article that the Transit Workers settlement is the model contract for the upcoming union contracts: "Productivity and cost-of-living escalator will play a more important part in collective bargaining . . . Management will attempt to get settlements back to a basis that will contribute little if anything to inflation by insisting that wage rises this year will be geared to long-term gains in productivity."

The strategy is the same as in the New York Transit Workers "settlement;" remove wage demands from negotiations by indexing COL to speed-up, and restrict "bargaining" to the whittling away of fringe benefits and remaining obstacles to speed-up. Once such terms are accepted, it becomes only a matter of time before COL gains are scrapped and the trade unions are reduced to self-policing and self-disciplining agencies against their own memberships.

The Transit Worker's settlement makes clear Wall Street's intentions in negotiating on fascist terms, defined by the economy's bankrupt debt structure. Any contract agreed to by the capitalists today no matter how bad will be ripped up tomorrow for much worse under conditions of general financial collapse. By no later than June 30, New York City

will have to make drastic cuts in current wage and service costs if it continues to service its maturing debt obligations. This reality, already anticipated by the Wall Street Journal and Money Manager, will make the labor contracts a joke. Therefore any trade-union struggle which does not make debt moratoria and the U.S. Labor Party reconstruction programs the central negotiating issue of contract bargaining will find its contract arbitrarily torn up in the course of financial collapse.

Cost Reduction

The transit contract and the negotiations surrounding it represent a carefully controlled bankers operation to prepare the union for a self-policing operation against its membership when the June 30 financial crisis raises the banker's cry for more austerity. In its present form the contract is explicitly fascist. Whatever increases in wages that result from COL a corporatist labor-management committee will be in existence to offset it by speed-up. Top city Labor Mediator and brainwasher Theodore Kheel, proclaimed that the productivity features of the contract, which he authored, "will produce more savings than it will cost. A wage policy that will produce productivity and increases efficiency is going to save the City more money than a freeze." In Brazil and Great Britain where such indexation schemes have a ten-year history, the trade unions have been turned into agencies against the working class and helped accomplish a 50 per cent reduction in wages and living standards.

The announcement by members of the Emergency Financial Control Board less than 24 hours after the settlement that it would throw out the COL features was a well coordinated psywar operation whose purpose is to demoralize the union. It is well known that such members of the EFCB as Mayor Beame went along with the settlement with the full knowledge that they would later reject it. The reason is simple and openly acknowledged by aides to Mayor Beame himself. With a threatened nationwide truckers strike it was believed that a strike by New York City's strongest union would trigger mass political action against austerity. The EFCB also believes that by not striking, workers would be in a state of demoralization and would sit back and take it if their contract were ripped to pieces.

The growing crisis nearing June 30 will make the transit workers first COL payment scheduled on July 1 an academic question. The Wall Street Journal in an April 2 lead editorial declared that all the anti-austerity moves by the transit workers, teachers unions, etc., would blow to pieces "when the dream world that now surrounds the City is finally shattered." Wall Street and the EFCB are wasting no time making preparations for this crisis. In the same editorial entitled, "Getting Things in Place," the Journal called for the implementation of the Municipal Bankruptcy Act, an act which would place a bankrupt city under a Federal Court dictatorship with powers to rip up union contracts and decree whatever levels of austerity necessary to ensure ultimate payment of the city's outstanding debt.