

How Wages Are Set

In the movie “Grapes of Wrath”, starring Henry Fonda, farmers from Oklahoma are driven off the land by drought and the Great Depression. They go to California on the promise of jobs picking fruit in the orchards. When they arrive they are met at the orchard gates by others like themselves who are protesting. They are protesting because orchard owners have cut the price paid per bushel by 3 cents. The protesters appeal to the new arrivals not to go into the camp. Desperate, the new arrivals go in, only to have the price per bushel cut again. A new group goes in at the lower rate. They don’t have a union, but they need one.

John L. Lewis, the most well known leader of the United Mine Workers, put this concept a different way. He said, “I fight for the union because I don’t want to have to work for what the most desperate man in the land will work for.” In a nut shell, the purpose of a union is to cut across the competition owners of airlines, orchards and factories try to force us into with each other.

Wages in the airline industry historically have been high because of a high rate of unionization. Competition between workers has been low. Each time a union contract was negotiated, workers at that carrier would leap frog workers at other carriers. A few percentage points at a time wages would go up year after year. Even a non union carrier like Delta saw wages go up to keep pace with workers at union carriers.

Race To The Bottom

Airline owners and executives began to seriously develop the idea of bankruptcy

as a business tool after 9/11. Michael Levine, a Northwest Airlines Vice President in 2003, explained that bankruptcy or the credible threat of bankruptcy must be used to force concessions on workers who were resistant. Workers were stampeded with job blackmail. If you want a job at all, you have to vote for a contract that guts you financially, said the airline executives. The leap frog pattern was reversed. The race to the bottom was in full swing.

Airline workers have recovered mentally from the blows of the first decade of the 21st Century. We know that concessions only breed more concessions. We are poised to regain what was lost in bankruptcy. More than ever before, airline workers know that we can not allow one group to be used against the next.

Big Threat Remains

There is still one big threat to our ability to rebound. If the largest airline in the world is non union, that airline can and will set industry standard and drive it downward. Some have called this WalMartization for obvious reasons. Other airline workers will be forced to compete with that standard. Of course the opposite can be true. If we are victorious in our union drive, the stage is set to restore our jobs to career jobs.

Wages are set by one thing; our ability to stick together.

(This article was reprinted from the Deltaramp blog.)

**Save The Date – IAM Local 1833 Picnic
Saturday, June 19**