

## **Live Bait & Ammo #121: The Criminals Wear Ties**

The claim that UAW members at the Detroit Three make \$73 per hour isn't a mistaken impression. There's no mistake about it. It's a grossly distorted fabrication spoon fed to power point parrots, sometimes known as "reporters".

The deception is willful, premeditated, and malicious.

The inflated figure is based on a false analogy derived by transferring the companies' legacy debts to active workers' pay scales.

In essence, it is no different than a Ponzi scheme.

Old investors (retirees) are paid by new investors (active workers). When old investors outnumber new investors the scheme collapses. The principle reason that old investor/retirees outnumber new investor/workers is because the companies outsourced jobs. They devised the scheme and they planned it's implosion for the same motive they do everything—personal profit.

Retirement benefits were earned and therefore paid for in the past. Earning a retirement with thirty years of labor is essentially no different than paying off a thirty year mortgage. Retirees have already paid for their benefits. They own the benefit—like a paid off mortgage—outright. Now that payment is due, the companies plea poverty and media hacks blame workers for their heartless greed.

It's a lie.

The assertion that hourly workers cost \$73 per hour is fraud.

Power point parrots, too lazy to question or analyze, aid and abet the crime.

GM/Delphi used to send active employees an annual "Personal Total Compensation Summary" which would sum up "the value of your benefits including Social Security" on a "per hour basis." In 2004 the average "Total Compensation" [wages & benefits] cited was \$42 per hour. \*

2004 was the last year that Delphi provided the "Personal Total Compensation Summary". It was the last year for good reason. In 2005 when Delphi declared bankruptcy, Delphi CEO Steve Miller invented the false analogy. Miller declared that UAW members at Delphi were paid \$78 per hour in total compensation.

A \$36 an hour raise in one year did not raise a single parrot's eyebrow.

Curiously, professional parrots never compare the cost of salary compensation at the Detroit Three with salary compensation at foreign companies. Salary workers are shielded from public scrutiny. Compensation for their non value added work is off limits. The exclusion is revealing.

Blue collar workers are scapegoats for corporate malfeasance. White collar workers are protected.

Why?

The criminals wear ties.

\*(2005 was the last year GM provided a "Total Compensation Summary" on a "per hour basis". It was \$44.)

Legacy debts have nothing to do with the hourly wage of active workers. The real issue is how the companies handled the money that workers deferred for pensions and health care.

Where does the trail of legacy profits—that should have covered legacy debts—lead?

The money is gone, if you believe the companies.

But we know that money is never lost, it changes hands.

The transfer of wealth is obscured under a cloud of 73 dollar per hour smoke.

The pension plan is fully funded because pensions are regulated by federal law. But the government provided the corporations with a loophole big enough to drive a Hummer through. Health care liability is not subject to federally mandated funding standards and is legally “unsecured”.

The result of an unregulated business practice is predictable.

“When leaders are ethically but not legally obligated, they will take advantage of you for their own selfish ends. Then, they will demean and disrespect you in order to justify their behavior and suppress their guilt.” [LB&A#10: UAW Bargaining Convention-1999]

Follow the money.

Instead of investing the deferred compensation in an annuity for retiree health care, the companies spent legacy profits on executive bonuses, shareholder dividends, and investments abroad. In the last thirty years GM invested profits from North America in assets overseas: assets protected from bankruptcy law in the US.

Profit is the legacy of labor. A portion of the profits from foreign investments belong to the retirees whose labor made those investments possible.

If you stop making payments on your car, the company repossess. Workers should likewise repossess assets acquired with money that belongs in a health care trust for them. Retirees have a moral and contractual right to the health care benefits they purchased with their labor.

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Thirty-nine state AFL-CIO federations, over 100 Central Labor Councils and 400 local unions have endorsed HR-676, John Conyer’s “Expanded and Improved Medicare for All” bill. [www.johnconyers.com/healthcare] The first step is to unite the huge reservoir of support for single payer in thousands of local unions and labor bodies. To take that step, a number of labor federations and unions are planning a national meeting of labor organizations that support HR 676, “Medicare for All,” to be held in St. Louis on January 10, 2009.

Labor for Single-Payer Healthcare Meeting  
January 10-11, 2009  
The Crowne-Plaza - Downtown St. Louis

For additional information> [www.laborforsinglepayer.org](http://www.laborforsinglepayer.org)  
or contact Organizing Committee Coordinator Mark Dudzic at 201-314-2653 or [mdudzic@igc.org](mailto:mdudzic@igc.org)

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