

## *The AFL-CIO's Second Century*

Mike Davis

The American Federation of Labor celebrated its centenary last year. It is one of the world's great conservative institutions, with a stability of internal rule and ideology that might make even the Bank of England gasp. Although the United States has had nineteen presidents since the founding of the AFL in 1881, the Federation has had only four. Samuel Gompers, aside from being a well-known white supremacist, was remarkable for his life-long opposition to social insurance. William Green, for his part, split the American labour movement in the 1930s rather than accept the infusion of new militancy and members represented by the industrial unions. George Meany, in turn, ensured that the reunited AFL-CIO played its loyal role in the international crusade against socialism and radical trade unionism. Lane Kirkland—Meany's hand-groomed successor and a Southern aristocrat by birth—preserves this traditional mould with his enthusiasm for the new cold war (he was a charter member of the ultra-hawkish Committee for the Present Danger).

Any rumination on the future of American labour must begin with these sordid and familiar facts. The sheer perdurance of the Gompersian legacy is astonishing; and, far from being the incarnation of social progress as it likes to pretend, the Executive Council of the AFL-CIO is more like an *ancien regime* in slow decay. Alone of the major Western trade-union movements, the AFL-CIO has presided over a steadily declining relative membership—today sunk to its 1940 level. Untouched by the progressive achievements of European unionism in the late sixties and early seventies—particularly the new concerns with workers' control in the labour process and with the plight of the low-wage sector—the American labour movement now stands in the forefront of retreat. The epidemic trade-union 'givebacks' in the United States have become an open inspiration for the recent assaults by European employers' federations upon local wage indexation and employment rights (the annulment of the *scala mobile* in Italy, the deindexation of wages in Belgium, the attack on the traditional eight-hour day on British railroads, and so on). Meanwhile, the London *Economist* has invoked Reagan's destruction of the air traffic controllers' union as a model for dealing with militant British unions. It suddenly seems that the malaise of American trade unionism may be contagious.

A tempting starting-point for comments like these is to refer to the ‘crisis’ of the American labour movement: indeed some good books were written on exactly this subject in the early 1960s (not to mention the 1920s). Identification of the penultimate crisis of US trade unionism has been so perennial, as have been prefigurations of its renewal, that it is important to distinguish parameters of this ‘long crisis’ from the more specific features of the current phase. For example, there has been an almost generic difference between the evolution of the postwar American and West European trade-union movements. Despite earlier cold war and confessional divisions in the European working class, the general trend since the early sixties has been towards a greater economic unification of the proletariat via the extension of welfarism and the social wage, through the steady expansion of union membership, and, particularly in the French and Italian cases, through enlarged union control on the shopfloor. In contrast, American trade unionism over the last generation has increasingly come to tolerate—and, indeed, sometimes to exploit—the divisive segmentation of the wage labour-force.

### **A Movement in Retreat**

Let me suggest a few concrete illustrations of the divergent paths of the modern European and American trade-union movements:

(a) Since 1950 the struggle for a political welfare state has become, at most, a subsidiary goal of the American trade-union movement; instead the more powerful unions, such as the auto and steel workers, opted for longterm strategies of funding health and pension plans through collective bargaining. The struggle for the expansion of these ‘supplemental benefits’ has been the pivot of the entire postwar system of wage/productivity bargaining, with advantage obviously accruing to unions in oligopolistic and capital-intensive industries. As a direct consequence of this piecemeal pursuit of private welfare states in single industries, the campaign for national, comprehensive social legislation has been weakened while millions of workers in less powerful unions or unorganized sectors have been left with poor and inadequate coverage.

(b) This dualism at the level of welfarism has been matched by the notorious twin-tiered structure of American wages. The concept of the ‘solidarity wage’ as practised by Scandinavian or Italian unions (or faintly proclaimed by the TUC), with the explicit goal of reducing wage differentials, has no resonance within the present-day American labour movement. In the absence of any conscious, overall strategy for fighting for a more equitable wage structure, US unions have acquiesced in the expansion of highly balkanized labour markets. Moreover, the inflationary decade of the 1970s witnessed the greatest widening of differentials in the entire twentieth century. To take only the case of unionized workers: while steel and auto contracts gave their members respective increases of 74% and 40% above the domestic consumer price index in the 1970–80 period, organized catering and garment workers suffered real declines of 13% and 24%.

(c) Rhetoric aside, the AFL-CIO has implicitly accepted a no-growth policy in the face of epochal changes in the occupational structure and

technological base of production. Whereas most European trade-union movements have made major advances in the new sectors of the economy, American unions find themselves in the extraordinary position of fighting and refighting once again battles begun decades earlier. The current Southern organizing drive, for example, is a revival of Operation Dixie first initiated in 1946: over the intervening years the AFL-CIO made only the most desultory progress in unionizing the rapidly industrializing South. Indeed in some industries—textile is one example—contemporary organization is only a fraction of what had been originally achieved in the thirties. Several unions never recouped their losses to employers' aggression and anti-communism in the late forties; and the CIO failed to complete its historic mission of comprehensively unionizing manufacturing industry (over half of consumer-goods production remains unorganized). This deficiency of unionization in traditional sectors, however, is today overshadowed by the even more signal failure of the AFL-CIO to penetrate the so-called 'information economy', the largest and most rapidly growing department of production. Most resistant to unions have been the strategic centres of communication and electronic hardware manufacture: 'Silicon Valley', IBM and Texas Instruments all remain bastions of the open shop.

The conjoint failures of union organization in the Sunbelt and in the dynamic growth poles of the economy have only been partially compensated by the surge of public-sector unionism, especially between 1965 and 1973. The public-sector unions are the fresh blood of an otherwise sclerotic movement and they have been responsible for the most impressive gains. Yet, in the aggregate, the AFL-CIO itself estimates that its component unions have succeeded in recruiting only two million of the thirty-five million new workers added to the labour-force between 1960 and 1980; deducting the gains of the public-sector unions would leave an absolute decline in unionism. This low and tendentially falling level of unionization in the private sector (only 16% today) has granted US capital a unique freedom in the redeployment of investment and the geographical decentralization of production.

(d) With a few honourable exceptions, unions have resisted any real renewal of rank-and-file participation. Already in the late forties there was a clear tendency, even in the most progressive unions, towards the replacement of workplace self-organization—especially shop-steward networks and union committees—with smaller cadres of full-time union professionals, who were often appointed rather than elected. The increasing abdication by the unions of the struggle over the organization of the labour process (part of the 'trade-off' in wage/productivity bargaining) went hand-in-hand with the atrophy of shopfloor grievance procedures and direct action traditions. Ultimately in the late sixties a new generation of workers began to rebel against their powerlessness on the production line and some of these 'wildcat' revolts coalesced into movements for union democracy and a return to militancy: Teamsters United Rank and File (later, Teamsters for a Democratic Union), the United National Caucus and the League of Revolutionary Black Workers in auto, Miners for Democracy, and the Right to Strike movement in steel. Although residues of several of these movements remain—above all in the Teamsters—their challenge has largely been defeated or

deflected. Recession and growing deindustrialization contributed to the expulsion of hundreds of thousands of younger, more militant workers; while, in other cases, union leaderships were able to divide and rule through clientage relationships with older workers. If necessary, the insurgent movements were simply repressed: something which occurred in the arch-liberal auto workers as well as in the gangster-dominated teamsters.<sup>1</sup> At any event, the rank-and-file tumult of the sixties and seventies (whose delayed-reaction climax was undoubtedly the 111-day miners strike in 1977–78) has subsided without regenerating, at least in private-sector unions, the broad layer of activism and informal leadership that had been the wellspring of the early CIO and which epitomized the renovation of European unionism between 1967 and 1973.

### Carter's False Deal

Thus by the onset of the Nixon recession of 1974/75, two of the movements which might have contributed most to a root-and-branch revival of American labour—the mass black liberation movement and the wildcat rebellion in industry—were largely defeated and disorganized, while the third dynamic and renovative force—public-sector unionism—was increasingly floundering in the wake of the fiscal crisis of the state and the anti-tax backlash of the electorate. In this conjuncture, the more progressive unions—like the two large public employee unions and the auto workers—were unable to effect any shift in power within the AFL-CIO. Despite a bitter temporary split over the Executive's refusal to endorse McGovern in 1972, as well as the UAW's quixotic attempt to form an alliance with the renegade teamsters, Meany firmly maintained his authority during the Ford and Carter years. Faced with the increasing transfer of job creation from the Northeast to the Sunbelt, together with the most concerted management offensive in a generation, a retrenched Executive concentrated resources on a major lobbying campaign for congressional 'labour law reform'. The reforms were intended to ease the way for new union organization, particularly in the South and the so-called 'right-to-work' states, by providing the National Labor Relations Board with effective powers to enforce union certification elections. At the time of the legislative battle, several giant non-union employers, like the notorious J.P. Stevens textile empire, were openly defying the febrile NLRB and refusing to accept union election victories.

In one sense the proposed reforms were entirely modest and straightforward in their purpose. In contrast to earlier campaigns to repeal the reactionary Taft-Hartley Act, labour law reform asked for little more than an effective version of the industrial relations status quo. In another sense, however, the lobbying effort was the maximum thrust of the AFL-CIO's fundamentally conservative response to the crisis of the labour movement. First, the reforms were geared to support an top-down public relations approach to the organization of new workers; with few genuine exceptions, the AFL-CIO eschews the strategy of 'internal' organizing

---

<sup>1</sup> In the teamsters union, where Roy Williams recently succeeded the late Frank Fitzsimmons, repression against dissident members continues unabated. At the last convention the election of business agents was formally outlawed, seasonal workers—a large minority of the membership—were disfranchised, and a special loyalty oath was introduced to prevent the discussion of union business with 'outsiders'.

through democratic shop committees that built the early CIO. In a conventional recruiting campaign, rank-and-file activity is strictly subordinated to an organizing staff who, in turn, take their orders directly from a union head office. One reason why there has been such a disturbing rise in the number of decertifications in recently organized shops is the weakness of the original union infrastructure within the workplace.

Secondly, labour law reform was purposefully moderated in attempt to win support from at least certain sections of 'enlightened' corporate capital. Indeed the lobbying drive might be seen as part of a larger attempt to renegotiate the informal compact between big unions and big business which arose during the Korean War boom and was symbolized by the famous 1950 UAW-GM contract—the so-called 'Treaty of Detroit'—that stabilized labour relations within the auto industry. The Carter Labor Department was particularly active in trying to create neo-corporatist buttresses for traditional collective bargaining. This search for a higher-level formalization of labour-management 'diplomacy'—congruent with the AFL-CIO's simultaneous efforts to strengthen the juridical regulation of industrial relations—culminated in the formation of the ill-fated Labor-Management Group, whose chief function seems to be to allow Lane Kirkland to sip martinis with Clifton Garvin of Exxon.

Thirdly, the reform lobby was also intended to reinforce labour's waning influence within the higher councils of the Democratic Party. Organized labour had traditionally been one of the three pillars of the New Deal Democratic power-structure (the other two were big-city political machines and the redneck fiefdoms of Southern Democracy), but the clout of the trade unions, like that of the other two ancient power centres, declined dramatically in the early seventies with the paradoxically parallel growth of the importance of multinational corporations, middle-class liberals and minorities within the party. The great delusion of the AFL-CIO Executive in 1977–78 was that, without any significant reinvigoration of its own grassroots, it could dramatically reassert its influence in the political system.

Labour law reform was, thus, the cornerstone of a strategy for the top-down revival of the labour movement through new judicial safeguards, an up-dated deal with big business and a reconsolidation of support within the Democratic Party. It was a bureaucratic alternative to any kind of 'bottom-up' renaissance of the movement based upon the formation of grassroots coalitions combined with greater union internal democracy and inter-union solidarity. In the event, the reform legislation, despite labour's most massive and expensive lobbying blitz in thirty years, was defeated in an overwhelmingly Democratic congress. This was more than a crushing personal defeat for Meany; it was also a revelation of deep shifts in the command of electoral power as the newly-formed Business Roundtable, comprising the largest corporations in the country, mounted a brilliantly organized counter-lobby. As a tragi-comedic anticlimax to labour's false deal under the Democrats, Carter attempted, in the last days of his administration, to create a desperate simulacrum of the British 'social contract'. Who now remembers the hyberbolic rhetoric and high hopes surrounding the launching of the Carter-Kirkland

'National Accord'—a dead letter within a few months of its announcement?

### The Bosses' Offensive

In this century there have been three previous national drives by employers' associations against the labour movement. The first, the so-called 'Mass Employers' Offensive' of 1902–08, was directed against the growing power of AFL craft unions during the great turn-of-the-century building boom. The second, the 'American Plan' of the 1920s, was a brutally successful attempt to efface labour's wartime gains and to generalize nationally the open shop—by the twenties AFL membership had declined by almost 40%. The third campaign in the 1944–50 period was less concerned with union-busting per se than with the reestablishment of managerial prerogatives on the shopfloor, the exorcism of radical influences within the CIO, and the subordination of union power to the exigencies of corporate planning. The permanent legacy of this offensive was the Taft-Hartley Act of 1946 which outlawed most forms of inter-union solidarity and provided for the passage of state 'right-to-work' laws. Significantly, each of these three escalations of the class struggle occurred against the backdrop of much publicized attempts at capital-labour cooperation: the National Civic Federation during 1902–14; the discussions of the pacific virtues of scientific management between the AFL and leading employers in the twenties (later resurfacing in the 'Swope Plan' in the 1930s); and the long-forgotten Labor-Management Conference on postwar reconstruction called by Truman in 1945.

The current employers offensive is also being accompanied by the sweetening mood music of what *Business Week* likes to pretend is a new era of 'non-adversary' industrial relations. In fact, as the head of the auto-workers union complained a few years ago, the corporations have launched 'out-and-out class war' on the unions. According to their strategic concept of the aims of this new class war, employers divide into two factions: the downright *revanchists* and the less extreme *revisionists*.

The 'revanchists' are the hawks of management who advocate class war *en outrance* through union-busting and the establishment of the open shop. They are organizationally imbricated with the New Right's networks and one of their chief lobbies is the ominously named National Committee for a Union-Free Environment. Although not incorrectly stereotyped as composed of Sunbelt entrepreneurs like Joseph Coors, the reactionary Colorado beer king, or the Milliken textile clan of South Carolina; the revanchists also include some corporate leviathans like the DuPont empire (recently merged with the oil and coal conglomerate, Conoco). The United States is unique amongst the five major capitalist economies in having such a large and powerful fraction of capital advocating a 'Taiwanese' solution to labour problems. In 1980 alone the NLRB received more than 15,000 complaints from workers fired for pro-union activity.

The 'revisionists', on the other hand, include the majority of the top two hundred corporations grouped together in the Business Roundtable. Their ostensible goal, at least as discerned in the most recent round of

conflicts, is the revision and replacement of the present system of wage bargaining with a far more decentralized and flexible pattern of industrial relations (the 'neo-Japanese' solution?). Their revisionism above all bears upon three aspects of the old system of union-management negotiation: relatively rigid internal plant job-structures, wage indexation (including 'creeping' supplementals), and 'pattern bargaining'.

Ironically the first two of these obstacles to 'non-adversary' labour relations were originally key trade-offs in the formation of the apparatus of postwar collective bargaining. Minutely differentiated, contractually codified 'internal labour markets', for example, represented industrial unionism's acceptance of the Taylorist fragmentation of work in exchange for stabilized job seniority and the restriction of the formerly arbitrary powers of foremen and line management. Likewise the linkage of wages and supplemental benefits to growing productivity via multi-year contracts was a quid pro quo for the unions' tacit abandonment of the fight against speedup. Now both of these former functional supports of managerial power have been called into question by slowing productivity due to the ultimate limitations of the parcellized organization of work itself, and, more specifically, to the international competitive pressures on a number of US basic industries. Ford and General Motors's recent success in exploiting the Chrysler precedent of trade-union contractual 'givebacks' involving wages, supplementals and working conditions has started a chain reaction which is spreading through the unionized sectors of the rubber, meatpacking, steel, farm implement, trucking and airline industries. 'Concessionary bargaining' has now affected at least a quarter of the unionized plants in the United States and, during the first half of 1982, almost 60% of the unions bargaining with employers accepted *real wage* freezes or reductions in their new contracts. Wielding the ultimate weapons of plant closure or relocation, the manufacturing and transport sectors are likely to succeed in imposing the first major deceleration of wages since 1938.<sup>2</sup> This phenomena is all the more striking in that it affects those relatively powerful sections of the industrial working class who were protected from the wage attrition of the 1970s.

Less visible than the wave of givebacks, but perhaps ultimately even more important, has been the erosion of pattern bargaining. Wage-setting since the 1960s has been profoundly influenced by the spread of escalator clauses and cost-of-living adjustments (COLAs) which promoted increased homogeneity and 'patterning' of contractual provisions within industries, and, in some cases, between industries. In 1964 the traditional pace-setting role of the basic steel contract for metal fabrication industries was replicated in the transport and distributive sectors by Jimmy Hoffa's

---

<sup>2</sup> The most recent wave of giveback demands by management, however, is encountering a stiffening resistance from local union leaderships and rank-and-file members. In October the Chrysler workers, who had previously surrendered more than one billion dollars in wage and benefit concessions, overwhelmingly rejected the new contract submitted by their international leadership. This was the first time in the history of the UAW that the membership had vetoed a contract with one of the Big Three auto makers (although the recent GM settlement was only obtained with the barest of majorities). Meanwhile in the steelworkers there is massive opposition to the industry's demands for six billion dollars in takeaways, and a national steel strike may be possible in 1983 (it would be the first in twenty-four years).

National Master Freight Agreement in inter-state trucking. As a result, union bargaining in key sectors was orchestrated into a triennial periodicity partially disassociated from the pulses of the business cycle, and union wages tended to become centralized via pace-setters and the generalization of comparable COLAs. Although COLAs in 1978 covered only 9.5% of the total labour force, they included three-quarters of manufacturing plants with more than a thousand workers. Thus for unions in strong labour-market positions, the informal rise of pattern bargaining was tantamount, during the 1970s, to the protection against inflation offered in some European countries by official national wage indexation.

It is not surprising, therefore, that corporate 'revisionists' have been preoccupied with discovering tactics to fragment wage patterning, to desynchronize the bargaining cycle, and to sweep away broadly inclusive COLAs. In practice this has meant that concessionary bargaining has gone hand-in-hand with company 'breakouts' from national contracts—a trend that currently threatens the decomposition of most master contracts. If on a macroeconomic scale the fragmentation of bargaining implies the arrest of tendential wage drift; on a microeconomic scale it drastically reduces the power of union strike action and intensifies competition between unionized workers by making it easier to shift production between plants. As a GM executive recently admitted, the corporation expects to reap greater savings from its new plant level agreements than from the national wage freeze just conceded by the UAW. The ultimate trajectory of such a restructuring of collective bargaining might be a new industrial relations system based on highly individuated single-plant contracts and increased wage differentiation *within* the monopoly sector of the economy. With the concession of employment guarantees to certain strata of workers and some cosmetic attention to the 'quality of work life', such a system would not be unlike the Japanese model of decentralized company unionism which inspires cult devotion in many US business schools.

### **Working on Rancho Reagan**

One can only wonder what ironical conversation was occurring between the ghosts of Samuel Gompers and Karl Marx on the January day in 1981 when the former head of an AFL craft union was inaugurated as the fortieth President of the United States.

Like the employers offensive, the labour strategy of the Reagan administration combines blunt confrontation with more subtle institutional revision. The hammer-blow, of course, was the destruction, by executive order, of the Professional Air Traffic Controllers Organization and the blacklisting of its 11,400 members. Reagan's repression of PATCO—the most blatant attack on a union by a president since Cleveland used cavalry to break the Pullman strike in 1894—was directed preemptively against public-sector unionism in general. Faced with growing unrest and increasing militancy amongst federal employees, hundreds of thousands of whose jobs were directly threatened by the advent of Reaganomics, the Administration disarmed resistance with a single brutal stroke. (The success of this tactic, of course, was based on

the calculated risk that the other airline unions and the AFL-CIO would refuse to significantly aid PATCO: a gamble easily won.)

The most important initiative of the Reagan regime, however, has been its relentless drive to revise the entire juridical framework of industrial relations, foreclosing the regulatory and statutory space for class litigation and legal reformism—a kind of labour law reform in reverse. Although some unionists had expected outright, counter-revolutionary assaults on the New Deal patrimony (dismantling the minimum wage, repeal of the Wager Act, a national right-to-work law, and so on), the Reaganites—undoubtedly sensitive to the fact that their victory depended on the support of the majority of white, male working-class voters—have resorted to more disguised actions: packing the National Labor Relations Board with new pro-business appointees, stripping the Occupational Safety and Health Administration of most of its modest powers, and so on. Meanwhile, Senator Orrin Hatch of Utah, a ringleader of resistance to labor law reform in 1977–78, has become head of the key Senate Labor Committee. These changes, in the context of an increasingly states'-rights-oriented Supreme Court majority, can only presage an incremental federal 'deregulation' of industrial relations that is complementary to the corporate revisionist project of a weaker, more decentralized system of labour representation in general.

### **Kirkland and the Neo-Liberals**

Any prognosis of the future of American trade unionism must distinguish between the strategy of the national AFL-CIO and the practice of local trade unionists. This distinction is important not only because of the geographical and sectoral specificity of the crisis of unionism, but especially because there is a new ferment in the grassroots. The traumatic shocks of recent years have led to a greater politicization—even, limitedly, radicalization—of the lower ranks of the trade-union bureaucracy. This process is most evident in the public-sector unions where explicitly social-democratic currents have gained ground, but there have been significant reverberations within the older industrial and craft unions as well. One important development has been the widespread formation of local labour-community alliances to fight against the wholesale plant closures which threaten to turn so many small industrial cities into ghost-towns. Even more innovative, and thus more discomfiting to many national union leaderships, has been the appearance of 'political unions' designed to promote the self-organization of workers trapped in the huge ghetto of low-wage employment. 'Nine-to-Five' (or, alternately, Service Employees International Union 925) is the unique example of a once pariah movement of clerical workers, largely organized by feminists, which has achieved autonomous affiliation with the second largest public-sector and service union. Meanwhile in the Southwest, the recently formed 'American Federation of Workers' unifies farm workers unions in Texas, Arizona and Florida together with the California-based Brotherhood of General Workers into an international workers' organization, inspired by socialist politics and reminiscent of the IWW, which especially aims to organize the undocumented workers who have become the backbone of the border economy. These examples could easily be multiplied.

The organic crisis of the American labour movement, therefore, is slowly producing its own antibodies, and there is much in the current activity of local trade unionism and alliance-building that could furnish a basis for an alternative labour politics. The enduring problem, however, remains the depth of disorganization and demoralization within the trade-union rank and file, and, indeed, within working-class communities in general. Although partially the unavoidable consequence of the recession and structural changes in the economy, the deepest roots of this disorganization lie in the two-generation old discontinuity in labour militancy, compounded by the failure of the sixties' labour revolts and the disintegration of the mass civil rights and black liberation movements. The current generation of American workers, the most educated in world history, suffer not so much from the absence of 'consciousness' or social perception, as from the lack of any shared, sedimented experience of collective struggle and organization. A 'critical mass' of cooperative counter-experience is the necessary precondition to move beyond atomization and individualism; but such a culture of struggle and common hope can only be slowly built through partial successes in battle and by the maturation of a rank-and-file leadership schooled in self-administered forms of organization. By these standards the US labour movement is still in a virtually molecular stage of reorganization.

In the meantime there is little in the current national perspectives of the AFL-CIO that would appear to give much support to this imperative of grassroots mobilization. Kirkland, while introducing a more vigorous style into the Executive, remains basically the caretaker of the *ancien regime*. Although it is true that 'George the Plumber' would not very likely have allowed Solidarity Day 1981 to take place, Kirkland's motive in staging a mass demonstration of labour's legions in front of the White House was not to resurrect trade unionism as a *movement*, but to provide a safety-valve for the growing restiveness in union ranks. Instead of a national confrontation over the repression of PATCO or a coordinated resistance to the givebacks in basic industry, the AFL-CIO leadership has once again pinned its principal hope on the revival of its influence within the Democratic Party. To this purpose the march on Washington was converted into a mere pep rally for 'Solidarity Day Two': getting out the vote for a Democratic midterm victory on November 2.

To the disconcertion, moreover, of social-democratic trade unionists the thrust of this partisan strategy is directed at mastering the technologies of electoral manipulation that the New Right used so devastatingly in 1980 rather than toward any leftward reformation of the Democratic programme or the building of new popular alliances. Indeed the Executive was in the van of the recently successful effort to roll back the McGovern reforms of the early seventies which had opened up the party to greater representation of minorities and women. At the same time, a number of leading labour chieftains have been publicly flirting with the so-called 'neo-liberals'—a current in the Democratic Party sometimes characterized as 'Reaganism with a human face'. In particular, Kirkland, together with Gottbaum of the public employees and Shanker of the teachers, has endorsed the strategy of 'reindustrialization' propounded by banker Felix Rohatyn, the former financial overlord of New York City who was responsible for purging thousands of municipal workers (all good

AFL-CIO members). In essence Rohatyn's proposals would commit the unions to concessionary bargaining on a national political scale. Whether through a tax-based incomes policy or more selective industry-by-industry agreements (or both), the unions would barter wage and working condition concessions in return for guarantees of reinvestment in the old industrial heartland. The key mechanism in this variant of a corporatist social contract would be a reborn 'Reconstruction Finance Corporation' dominated by the great banks.

Needless to say, Kirkland's support for neo-liberal economic gimmackery does not go down well with all sections of the trade-union leadership. On one hand, it assumes a scale of political involvement which is unacceptable to the Gompersian craft rearguard; while its submission, on the other hand, to so many of the premisses of rightwing economic orthodoxy (however cleverly confected as 'post-Keynesian' novelty) repels most of labour's open or closet social democrats. Crucial to the fate of this latter group, and the degree of their resistance to Kirkland's strategy, will be the evolution of the Kennedy wing of the party; if the Pretender himself makes an adaptation towards neo-liberalism and corporatism—a possibility that can't be ruled out—then a temporary ideological consensus would be highly likely. In the meantime, Kirkland has attempted to preclude political disunity in the Executive by establishing a new procedure whereby the union movement will preselect its presidential nominee *before* the Democratic primaries in 1984. What is being trumpeted as a 'labour candidacy' is in fact an unpalatable democratic centralism that entraps the leftwing of the Executive in support of whatever likely neo-liberal figure Kirkland and the majority decide to back.

Collateral with the neo-liberal vogue has been the renewed priority which the AFL-CIO has given to retrenchment and protectionism rather than new organization or greater internationalism. A major battle for American labour's soul may, in some sense, already be in progress, with the very meaning of solidarity at stake. In the face of the real challenge of a changing international division of labour, quasi-racist calls to defend American standards and products have been the easiest and most demagogic way out for embattled trade-union bureaucrats. Virtual 'yellow peril' hysteria over Asian imports has been increasingly echoed by internal protectionism as trade unions have taken sides in the new war between the states caused by the flight of jobs to the Sunbelt. One of the great dangers of the Kirkland-Rohatyn reindustrialization panacea—cancelling any of the benefits of the AFL-CIO's recent halfhearted organizing campaigns in Texas and the South—is that it will even further exacerbate sectional tensions which, more often than not, barely veil racial and ethnic antagonism. In an economy based on segmented labour markets, the unions' alternative to organizing, and thus upgrading, secondary labour market jobs is to attempt to raise new barriers to any mobility between primary and secondary sectors. A Maginot-like defense of existing employment structures dovetails only too neatly with the narrow instincts of many unions; and already lurking on the perimeter of rightwing trade-union consciousness is the idea of a major campaign to restrict the growth and mobility of the burgeoning Hispanic labour-force. The cardinal criteria of trade-union strategy and tactics in the

eighties must be whether they aim to retrench the position of one segment of workers or to open out towards new solidarity and organizational unity. The struggle within the unions now, more than ever, arbitrates whether the US working class will become even more splintered or discover the basis of common action and identity.

In a sense, then, there is a real race between the innovation taking place in labour's grassroots and the leadership attempts to find a way out of the crisis without changing the bureaucratic, non-democratic and exclusivist structures of the American labour movement. For the time being, Kirkland is claiming to lead the unions to a new promised land; more than likely he is just as lost in Sinai, retracing the same old steps, as his immediate predecessor.