

INSTITUTE OF CURRENT WORLD AFFAIRS

RB-12
The High Price of Change

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Saugus, Mass. 01906
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Mr. Richard H. Nolte
Executive Director
Institute of Current World Affairs
535 Fifth Avenue
New York, New York 10017

Dear Mr. Nolte,

On April 1st with the start of a meatless week the general public began its protest about rising beef prices. For many workers in Boston's meat packing industry the meat boycott and rising beef prices aggravated an already drastic situation.

A few years ago Local 575 of the United Packinghouse Workers of America, a division of The Amalgamated Meat Cutters and Butcher Workmen of North America, boasted a membership of 1,300 persons. As of the second week in May its employed membership had been reduced to a little more than 700 workers. According to Johnny Craig, president of the local, seven Boston-based companies, with more than 300 workers, have gone out of business in the last two years.

For the last several years the union's national h.q. has been fighting what seems like a losing battle against a new type of giant beef packing operation that threatens, at some time in the near future, either to totally destroy or seriously impair the local beef packing business.

Iowa Beef, a huge conglomerate, began business less than ten years ago. According to a May 1, 1970 article in Forbes magazine ... "Currier Holmand and Andrew Anderson began Iowa Beef in 1960 with little more than a dream and pure bulldog determination. In the next eight years the company grew to be a huge conglomerate which threatens to change the entire way that slaughtering and butchering meat happens in this country."



Traditionally meat has been slaughtered in the Midwest, and the carcasses sent East to big meat packing houses in cities like Boston and Philadelphia. Here they have been cut into hindquarters and forequarters and then distributed to merchants, restaurants, and supermarkets.

Iowa Beef has eliminated the need for cutting in the local area by handling both the slaughtering and cutting in plants located near the cattle. The product of its new technology and handling procedures is commonly called boxed beef.

According to the Forbes article, "The process of breaking the meat has been simplified to a production-line operation that would rival an auto-assembly plant. Each worker is trained to make one cut in the carcass as it moves past him, until that same steer ends up 1½ hours later in 14 vacuum-sealed plastic bags inside seven pasteboard boxes on IBP's loading ramp..."

The Amalgamated Meat Cutters and Butcher Workmen of North America have waged a long and bitter struggle against Iowa Beef. The union has not focussed its attack on Iowa Beef's new technology, for as Midwest Regional Director David Hart said, "We know we can't fight automation, it's just a matter of time before all the packers are automated. They're all doing it already." The union has chosen instead to fight Iowa Beef on its pay scale and employment policies.

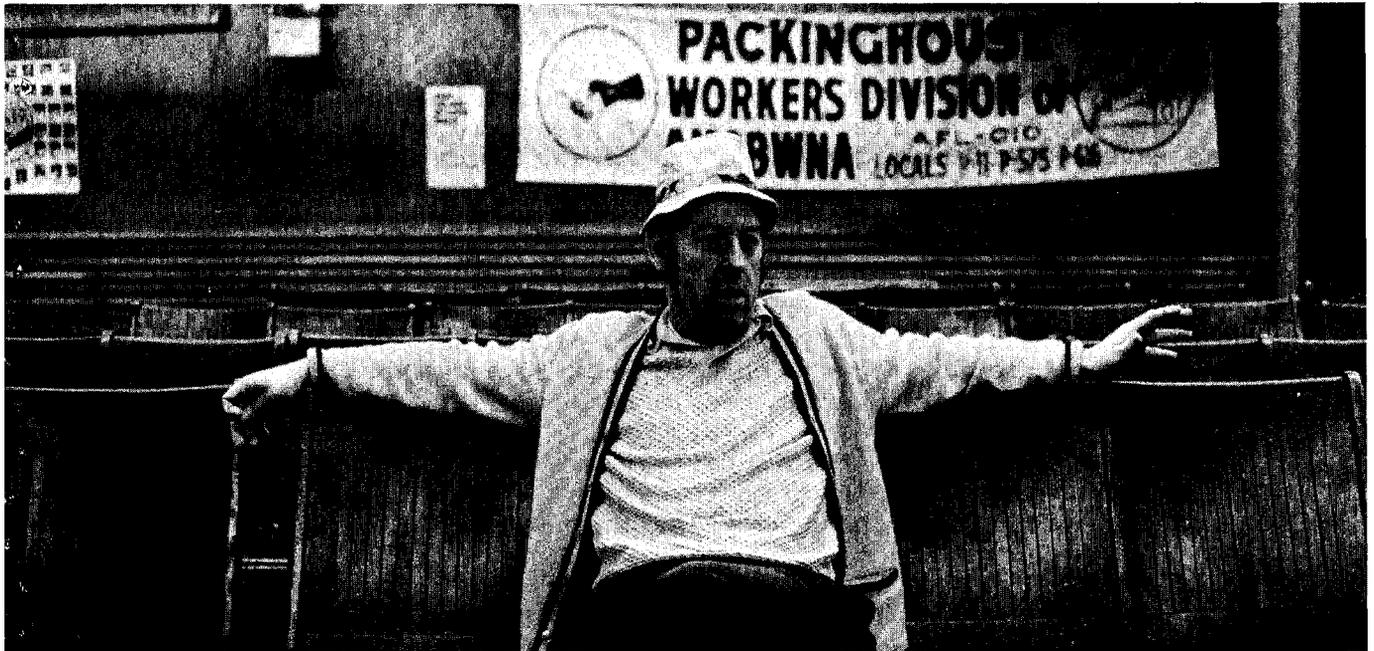
Iowa Beef had, since its inception, been unorganized and, according to union people, by employing large numbers of women, it was able to operate on a pay scale far below that of any of the other major meat packing houses. This led to an all out union effort to organize Iowa Beef's work force.

"On August 24, 1969 about 1,200 union members walked out of four of eight of IBP's plants... There followed one of the bloodiest labor disputes since the bitter marathon waged between the UAW and Kohler Co. of Wisconsin from 1954 to 1960. There were 56 bombings, over 200 tire slashings, extensive property damage and more than 20 shootings."

The contract settlement that was finally negotiated was less than a victory for the meatpacking workers. No master agreement was signed, and the national contends that scab labor brought in from as far away as Mexico hurt their effort. Whatever the reason, several Boston area union people told me that they felt "sold down the river" when the results of the strike settlement were announced. "The three year contract which was finally signed set a base pay of \$3.31/hr. in slaughtering and \$2.70/hr. in breaking. This figure is at least a dollar lower than the base at major places like Armour, Swift, and Wilson."

Not only are the wages Iowa Beef is paying lower than at other nationals, they are also far lower than the wages of most Boston area packing houses. Local 575 has won its workers impressive wage packages over the last ten years. Recently, though, many of these people, some with as many as twenty years in the industry, have been laid off. A substantial percentage of these layoffs are the result of increasing local dependence on 'boxed beef'.

I decided to interview two workers who have been laid off. Both are long time members and officials of the local union.



Red Donahue made over \$19,000 last year before taxes. The year before that he made more than \$15,000, and the year prior to that \$16,000. He won't make anywhere near those figures this year. Right now he is receiving \$125/week in unemployment compensation (\$83 for himself and \$6 apiece for his wife and six of his seven children). He has been drawing this amount every week since January 12th. The week before Christmas his boss announced to him and 200 of the other workers at North American Packing that they were to be laid off work. Red, however, held his job until January 12th.

Before the lay off North American employed approximately 225 workers. The company laid off two-thirds of the people and has been running on a skeleton crew ever since. Even though Red Donahue would have had twenty years of seniority in this plant come August he was laid off while younger, less experienced workers were kept. This is a result of the seniority and bumping system in this and other packing houses. The plant has two departments, boning (cutting up the meat) and processing (packaging and canning). Layoffs are based on departmental rather than plant seniority. Everyone in the processing department was laid off, and only 25 people in the boning department were kept.

"Layoffs," says Red, "are not something new to most people working in the packing house, they happen periodically. After peak seasons, about twice a year, some people are laid off; but that's usually for two, maybe three weeks. No one expected anything like this.

"You know," says Red laughingly, "it isn't bad the first couple of weeks, you live like a king. I mean, I didn't have to get up at 5:00 in the morning, and I could stay up real late without worrying about dragging my ass around the next day. For a couple of weeks that was ok. I would do things around the house, things I didn't

usually have much time for, you know, fix this, patch up that, little repair jobs that you just let go. Also I spent a fair amount of time around the union hall with other guys in the union who had been laid off, but I got tired of that.

"Now I feel restless. I'm not used to lying around. I've always been busy. I started working as a teenager, before the war. I had several different jobs, and was making maybe 60¢/hr., but that was at least something then. The Korean war came and I did my time.

"To tell you the truth I didn't really want to go. No, that isn't right, I guess I didn't know what I wanted to do, but if you had said then that you didn't want to go people would have thought you were unpatriotic. That's changed, now if a kid says he doesn't want to go to fight in Vietnam people back him up. I know I would.

"I came back alive, that's better than some guys did, and I farted around for a couple of months before I took a job. I had one or two jobs during the next year, then I ended up at North American.

"When I started with North American they were doing civilian work almost exclusively. The union that was in the plant didn't do much for the workers. I remember this guy named Phil, he was a communist. I mean I'm not holding that against him, he was just the first communist I ever met. He agitated for basic necessities like boots and aprons, and chairs for the lunch room. It makes me laugh now to think that that was a big deal. We've gone a long way since then, now it would be unheard of to work in a place that didn't provide you with basic necessities. Then it was a big thing. The bosses were sons-of-bitches to start with, they didn't want to do anything. But we corrected those conditions, and that memory stayed with me.

"I guess the other thing was the union that ran things then, it wasn't anything. Everyone knew that they were in cahoots with the management. Like most everyone else I knew the union would sell the worker down the drain. Hell, the business agent for the union would see the management not the workers. This guy Phil worked outside the union and got us more than the union did, and the union was supposed to be working for us. That made me stop and think about the union and what it could do. After that I slowly became involved in union business.

"Thanks to guys like Johnny Craig and others at local 575 we became a strong local, and got rid of sweatshop conditions and the former business agent. The more they began doing, the more active I became. After a while I became shop steward. Then about nine years ago I ran for office, to be vice president. I ran against a couple of other guys, and I won. I've run every three years since then. The last couple of times I've run unopposed.

"A lot has changed since I started. When I started out most places were either unorganized or operated under "sweetheart" contracts where it was worker fighting against worker. To some extent

this has changed, organized labor has won workers a decent work condition and a decent wage. By now most managements have learned to live with unions.

"For me it was twenty years with one company, and as you can see I was doing alright. I mean, there aren't too many other people working in factories who are pulling in \$16-\$19,000/yr. I got a good wage. I was making \$4.60/hr. and I was working a 50 or 55 hour week.

"We got a pension plan but it's new and really for a guy like me it isn't going to mean that much. Right now I'd be getting only \$77/month if I retired under the current plan. Well you know what you can do with that kind of money. That's one reason that being unemployed has got me to thinking.

"See, it would be hard for a guy like me to get work in another place, without giving up all the seniority I've built up. See, no one wants to hire someone my age. I'm only 44, but an employer doesn't want to go with an older worker. I know that because as part of my union work I came in contact with some job interviewing. I would be in the boss's office talking about some union business and someone would show up for an interview. I'd say 'I better leave' and he would say 'no that's ok you might as well stay.' I learned things, things I didn't think I would personally ever have to know. Even though it wasn't ever stated, the older guys who came in had less of a shot at a job.

"That's why what I want to do is go back with North American. I've got too much in it to let it slip away. If I start at another place I wouldn't have any seniority. I'd have to start all over again. And if I didn't work in the industry what would I do, take some lousy two or three buck job on some assembly line? I'm too old for that. Maybe if I was young, in my twenties, I would do that, but I've been through that. I did that stuff 15 years ago and I don't want to start over again.

"Although I'd like to go back with North American I've got to be realistic. Work may pick up but I doubt that it will get back to where it was. North American has primarily gone into government contracts, you know, poultry for the needy or supplementary food programs. They switched over from civilian work to the point where government contracts represent 90% of their work. Well, old Nixon has been cutting back on these programs, and then we've been hit by the boxed meat, and rising meat prices. Business is way down.

"Even if they don't get back to where they were, I've got a good shot at getting my job back, because of the people in my department I've got about the highest seniority.

"But there's only so long that I can go on this way. We've had to take money out of our savings account to keep up, and we aren't living like we used to. We took good care of what we made before but now we've got to be even tighter. I mean unemployment just doesn't take care of a big family like mine.

"It's come to the point where I've been forced to think about my future. I'm taking a test next week for a license to operate

large boilers. The pay is good. It ranges between \$4-\$6/hr. and there seems to be a demand for boiler operators.

"But no job is secure these days. I met this guy who fixes air conditioners, he makes real good money, \$10-\$12/hr. He has a fancy house out in the suburbs. He'd come home in his overalls, his fingers all dirty, while his next door neighbor would come home in a nice suit carrying an attache case. Anyway one day his neighbor stopped him, told him he had been laid off from some big defense related engineering firm. He asked this guy what work he did and he told him he was an air conditioning repairman. Well this neighbor is going to learn the trade himself. You can't tell. Even the kids. A lot of the kids are going to college and they can't get a decent job unless they go out of state and who wants to do that?

"You know the whole thing has made me think of the attitude of most people toward blue collar workers like myself. People have the image of some guy with his shoes off, lying in a hammock drinking beer, and the guy can't speak too well. Not bragging or anything, but I was first in my high school class in English and I speak the King's English pretty well."

"So I figure I'll take this boilermaker's exam. I think I'll be able to pass it, but it's an oral exam, and if I get hung up on a question it will eat away at me. I'd prefer if it were written. That way if you don't know an answer you can skip it and come back to it. You can't do that with an oral exam. If I pass the exam, then I'll have a license and something to fall back on."

The meat boycott cost Rex Weng his job. On March 30th, his boss, anticipating the boycott, laid off two workers, a floorman and Rex, who is a cutter. South Market Beef, where Rex worked, is a small operation specializing in boxed veal. The March layoff was the first in the company's twenty years of business.

Rex Weng has hard feelings about the boycott. It may have affected the bosses, but not like it affected the workers. As for losing his job, Rex is at the point now of saying he lost it because of a conspiracy. This is not any tightly planned conspiracy, but the conspiracy of a capitalist country where the profit motive is all important. "The profit motive can't be operative," says Rex, "unless labor is exploited."

Rex says that in order to keep up his feelings of self worth, and not to become despondent over the fact that he is out of work, he must constantly remind himself that, "I'm in this position out of no fault of my own. You know businessmen love to have the public believe that they lay off workers because they are losing money. It isn't true. People are laid off so that the owners can maintain their profit margin. If they were really losing money, they'd declare bankruptcy. Losing money, hell they're not even talking about making less. They want to maintain their profit so they lay off workers."

"I'll tell you something else that burns me up. Maybe you

read the Globe article (Boston Globe article on May 1) about how Massachusetts with such high unemployment still has thousands of jobs going begging.

"They never explain what kinds of jobs are going begging. I'm no young kid anymore. I've worked hard, and worked for a lot of years. I made a good wage for a person working in a factory, but I'll be damned if I'm going to start busting my ass to find a \$2.00/hr. job. Why should I? What they're looking for is cheap labor. I've been around a long time, and as an organized worker I have a pretty good idea of what is happening. They want to break the back of organized labor.

"I've worked more than 20 years, beginning with a wage of a little more than \$1.00/hr. and now they want me to find a job at \$2.00/hr., no way. I should be able to enjoy the fruits of my labor.

"Another thing they don't tell you. They make my \$4.25/hr. seem like a terrific wage. It isn't bad. I'm not saying it is, but how well do you think you can live with that wage? A recent study by the government said that to live decently in the city of Boston you have to take home \$175/week after taxes if you have a family with two kids.

"Here again the public has a certain attitude. A guy who doesn't make enough with one job sometimes takes a second job to make ends meet. People say he is very ambitious. Now I don't have any job and I know people think I'm lazy. Well, the hell with them. Look, I don't want to work two jobs. I work hard on one job. I want some time with my wife and kids. And after twenty years of working I figure I'm entitled to a decent job at a decent wage.

"Right now unemployment compensation is helping. It isn't much, but my wife works. She's got a good job with OIC. You know, they take kids off the street who can't even read and write. They give them some basic skills. It's a good job-she's got her own ambition-but I know those people they're training are heading for the unskilled labor pool.

"I'll tell you it's tough, this situation, and the person caught most in the squeeze is the worker. I don't know what the solution to the problem is. The union has talked about some things, like shorter work week, higher pay, and earlier retirement. Who knows what will work?

"But I do know something: in a country which is as fabulously rich as this country is there shouldn't be this many workers laid off and out on the street. But you see, it all goes back to the profit motive. As long as we work under the principle of the profit motive the worker will be exploited."

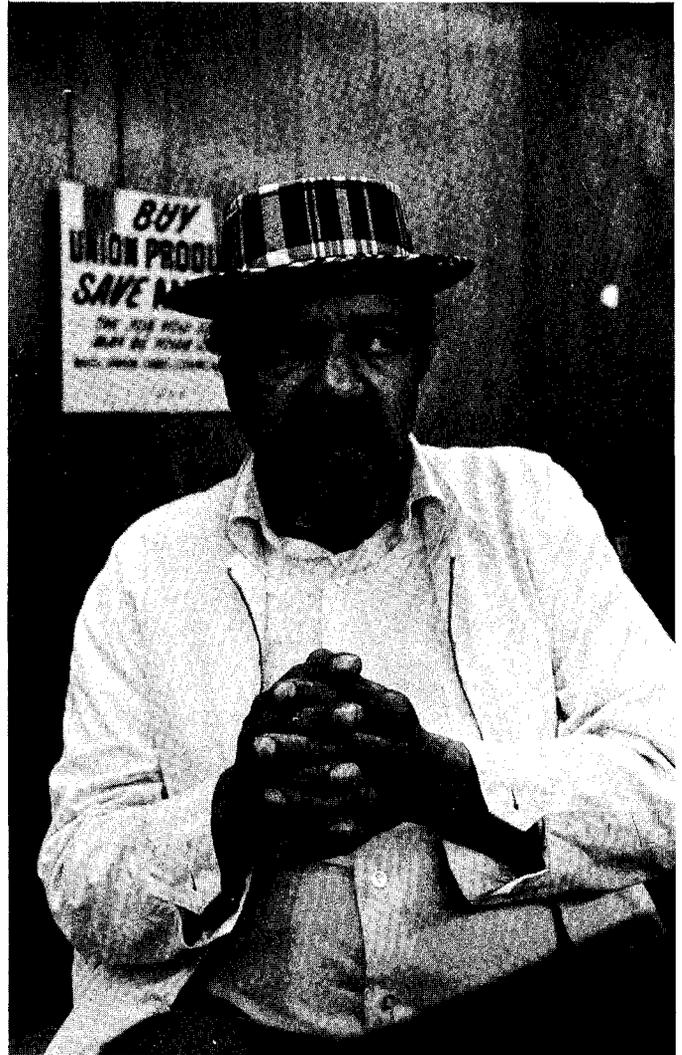
Rex Weng, sitting here in the union's office, unemployed but still the local's financial secretary-treasurer, is a long way from New York's East 100th street where he grew up. "I wasn't very political when I was young," Rex says. "Political, I wasn't aware of very much about myself when I was young. My family moved to Brooklyn and I went to Brooklyn Technical High School. When I got out of school I started working for \$1.40/hr. at the Brooklyn Shipyard as an apprentice sheet metal worker.

"I worked there until I was drafted in 1941. Like most blacks who were drafted I spent my service time in the quartermaster corps. I spent 20 months in Europe. You know what my job was? I was assigned with a group of black GIs to a sterilization and bath outfit. The idea was that we were to take these big trailers with nine showers on each side and sterilization equipment in the middle up to the front. Guys fighting on the front line would be able to shower and sterilize their clothes. That was the idea. It never really worked; we never got up to the front line. Finally the idea was pretty well abandoned and I was moved to a laundry outfit where I stayed until I was mustered out of the service in January '46.

"Like a lot of other blacks I learned a lot in the service. When I went in I didn't think of the government as the boogie man that it is. But there were a number of racial fights, and you didn't get to choose sides. I guess you could say I learned a lot about this country and myself while I was in the service.

"When I came back I went back to working in the Navy yard. My salary was \$1.90/hr. then. I got out and got married. The marriage wasn't a good one, but it lasted six years, and we had three quick children. Neither of us could take it so in 1955 we split up. I decided to get out of New York, so I moved up to Boston and stayed with my brother.

"I looked around and took my first job with a meat packing house. I took work for \$1.00/hr. at the Faneuil Packing Co. It was an unorganized house with about 12 to 15 workers. Me and a couple of other guys tried to organize the place. The boss found out and fired everyone. That started the general strike of the



packinghouse workers in the Newmarket Square area of Boston.

"Everyone went out. This other guy and I were picked up for destruction of property. The strike included the following demands: that the charges against us should be dropped, everyone should be given their job back, and the union should be given the right to organize in the plant. The boss was willing to do everything but hire us back. He was even willing to drop the charges but he didn't want the two of us back in the plant.

"I didn't want to hold everyone else up so we let it go. For the next several years I worked in a couple of places. I moved over to Chamberlins after another short job, and started as a ham cooker's helper. I stayed in the plant for three years and became chief steward. I was making \$2.27/hr. when I was laid off with a group of people.

"My next job was at the Premier Packing Co. I was back down to \$1.20/hr. but I really wanted the job. See, the plant, which had about 120 workers, was 90% black. By now I was committed to the union. We knew about the working conditions, and we decided I'd go in and try to organize the place. It was a painfully slow process. Everyone was distrustful, and people didn't want to lose their jobs. But slowly people started signing up. I remember when I had enough people in my house who had signed cards. Well the next day a couple of us went to the boss. He couldn't believe it, but he was a smart man and later that day he accepted it. I worked there a couple of months more and then there was another layoff that put me out of a job.

"Let's see, from there I went to Associated. I guess that was in 1960. You can see I moved around a lot from when I first started in the meat packing houses in 1955. I stayed with Associated for 11 years. During that time I took off 18 months to work as an organizer for The Service Employee's International Union. They wanted to try and organize nursing homes. It was a terrible failure. Finally they gave up on the effort and I started back at Associated.

"By the time the big bargaining came up in '71 I wasn't any too popular with the management. See, I spoke up during the bargaining. I told the bosses that I thought there was a lot of racism in the plants. Well, most of the owners of the packing houses are Jewish and they don't like to hear that stuff about themselves, you know, they think they've done more to help blacks than anyone else.

"So I knew they were after me. Well one day I was caught during work hours having a beer at the bar. They fired me for it. It was a dumb thing to do. I mean a lot of guys take a quick drink at the bar during the day, but it still is against the rules. There wasn't any sense of starting a grievance or fighting it. I was caught, so they finally had a reason to fire me, and they did.

"Another thing I tried to do then was try to organize for a paid holiday in honor of Martin Luther King. The trouble was we already had 10 days of paid holidays. Nationally the average was nine and the bosses weren't going to accept having an 11th paid day

off. But they were willing to have a tradeoff. We talked about a tradeoff of swapping our day off on Patriot's day for a day off on Martin Luther King's birthday. The bosses didn't give a damn, just so long as we kept to ten days. It was the workers, they didn't want to switch.

"And that's just indicative. I mean, there is a lot of racism even in this union. The union leadership has a long tradition of progressive stands, probably going back to its socialist background. But a lot of workers don't share a number of those views. I mean in this last election the leadership came out for McGovern, but a large number of workers in the plants weren't for McGovern, I don't think. I think they voted for Nixon, and if they would have had the choice they would have gone for Wallace.

"The last job I had was with South Market Beef. I had been working there for 1½ years. Like I said, they ran a veal operation. We did boxed meats. We were affected like most of the other houses by the meat boycott.

"I'll give you an example of what happened. Before the boycott we were selling the Star Markets (a leading Boston chain) 120 to 130 boxes of meat a week. The week I was laid off they ordered none. And now they're only back up to 20 or 25 boxes.

"I didn't mind being out for a couple of weeks. I didn't like it, but I could live with it, I have before. If you're a worker you get used to it. But I want to get back to work. I'd take another job in the industry if something was open, but with half of the local laid off things don't look too good.

"This thing has affected a lot of couples. Being around the house all the time can create some tension. Even my wife and I are feeling some of it. It's like I said though, I'm in this position out of no fault of my own."

There is a chance that both Red and Rex will go back to work with their respective companies. Nevertheless, they are faced with the real possibility that they may never get their old jobs back and may have to begin looking for work all over again.

These men do not possess transferable skills. They both have, over the years, become skilled in their chosen field. They both have come to earn a fairly decent wage for their work.

These men, and others like them, have been laid off because of so-called technological advancements. If they can't find jobs in the industry to which they have devoted much of their working lives, can we expect them to begin the climb again in another industry?

