

Union Herald Article for September 2006

Sisters and Brothers,

Trane retiree Alan Shepherd always provides me with interesting newspaper articles to read and study up on. I appreciate his efforts to point out some garbage in the corporate world. His most recent article comes for the Milwaukee Journal Sentinel in regards to the "Pension Pinch? Not for CEO's."

The article is a great example of how companies are attacking, downsizing or eliminating employee pensions. Yet at the same time increasing, expanding and enhancing CEO pensions and retirement benefits. The excess is clearly shown when Exxon CEO Raymond Lee received a \$98,000,000 pension payout at the end of 2005. That does not include the perks of apartments, corporate jets and on and on and on.

The article shows that General Motors (GM) employee pension plan are funded and healthy, however, the CEO pension plan in the same company are under funded by \$1.4 billion. I believe some of the cause of the under funding is overspending on the benefits side. Clearly these executive are getting much richer pensions than the on the floor workers. Most of the companies DO NOT talk about this. They go on merrily cutting benefits for the average workers while growing and expanding their own retirement plans.

This is an outrage for the American worker. We have an Administration in Washington, DC that continues to look the other way. Just like I said last month, Take as much as you can and as fast as you can is the Motto in the Corporate world and Washington, DC. There is some hope in the future.

There is a new rule adopted by the Securities and Exchange Commission as to disclosure of executive compensation. Executive compensation and the details of all retirement perks must be disclosed under this new rule. All golden parachutes and their details must be spelled out to shareholders. The prediction of this new rule is that people will "be shocked" by the amounts and the perks that executives have laid out for themselves in retirement. Most of the details of an executive retirement, stock options, corporate jets, apartments, and offices remain secret to shareholders. One can question why a retirement plan for your executive is secret, but we will soon find out why.

I am still incensed with an Administration that allows the executives to walk away with more riches than they could ever spend and at the same time closing or freezing the employees pension plan.

As Union members, we will need to take the hard line on pensions. These are benefits we have earned and are deserved. These have not been gifts from the companies. These are deferred benefits we have usually given up something to get. We cannot allow companies and their corporate executives to erode these earned benefits. I throw up every time I hear a political party (guess which one) parading around saying these benefits have ruined American companies. The only ruin and disgrace is an employee working for a company for 20-30-40 years and having a pittance to live on for the rest of their life. This is further disgraceful when the corporate executive flies off in the company plane with cash, homes and lavishness for their rest of their life. This is not an America that our founders envisioned. We need to return to our original values starting with "All men are created equal." In this world of pensions, "All men are not created equal." What is good for one (executive) is not good for the other (the hard working employee)!

One more item to tag on to last months article. I just read in USA Today an article on the declining real incomes of Americans. The individual job incomes are falling, however, the family incomes are more due to the fact of working more than one job. The article states real incomes have not increased since 2001. With this so-called great economy, where are the rising ONE JOB PER PERSON family incomes? I know all who read this article will know. The answer is to the few Americans and CEO's at the top of the wage scale. I do not like to repeat myself, but here goes: This is not an America that our founders envisioned. We need to change the direction of this great country for ALL Americans. A rising tide should raise all ships the article states, however, for today it is only the yachts that are rising. Please remember this when you vote in November!

Thank you to all of the Union members that attended the "Machinists Night at the Races" and all who marched in the Labor Day Parade. Both events turned out great and showed the support of Labor in the region!

Last but not least, Watch out for the kids as school has now started. You may want to watch out for the parents doing cartwheels on the streets also, now that school has started. Have a great September!

Rick Mickschl, DBR, IAM District 66