

“Financial performance and corporate responsibility go hand in hand. ... Our commitment is doing the right thing, everywhere, every time.”

— UNITED TECHNOLOGIES, 2015 Annual Report

“Bull x#@!”

— WORKERS AT UTC'S CARRIER PLANTS IN INDIANA

*A nasty new species of “jumping bean”*

# Carrier and Nabisco close US plants, hop to Mexico —and stoke the anger of working-class America

Welcome to the phantasmagoric Wild Kingdom of Corporate World.



**W**hen I was about six years of age, my Uncle Earnest showed me something that made my jaw drop, my eyes bug, and my mind boggle: four beans that, *on their own*, moved. Leaping legumes!

It wasn't trickery (or devilry), but an odd twist in the natural world that creates the novelty of “Mexican jumping beans.” They're not beans, really—they're brownish seedpods from a desert shrub in northwest Mexico. A larva from a small moth invades a pod, hollows it out, attaches itself to the inner wall with a silk-like thread, and waits in relative coolness for its metamorphosis into mothdom. When you hold the “bean,” however, the warmth of your palm discomforts the larva so that it twitches and pulls on that thread, causing the pod to “jump.” It's actually more of a mini-hop or a rollover—but still, pretty astonishing to a kiddo.

Decades later, I find myself wide eyed again, astonished by the odd movements of a new species of Mexican jumping bean I've named *Corporados Greedyados*. Far from being a creation of the natural world, these jumpers are enormously profitable, brand-name manufacturers. Native to our land, they've long reaped the benefits of being US corporations, including having highly skilled and loyal blue-collar workforces, corporate-friendly labor and consumer laws, publicly funded education and training, an interstate highway system, legal protection of special corporate privileges, extensive tax breaks, on-call police to safeguard their corporate order, military defense of their worldwide commercial pursuits, and much, much more. But now they're twitching in their conglomerate pods and abruptly jumping to Mexico. Giving no more notice than a cursory shout of *adios*, they're leaving US workers, communities, the future of our middle class, and our unifying ethic of fair play in the dust of their corporate greed.

### Talking *adios* to a new level

Yes, perfidious corporations have been jumping to cheap-labor countries for years, particularly since the North American Free Trade Agreement (NAFTA), China's admission to the World Trade Organization, and other policies incentivizing corporations to export our blue-collar jobs. Since NAFTA was signed in 1994, 50,000-plus US factories have closed and more than 5 million jobs have been lost to the offshoring fad.

Unfortunately, that was just a warm-up. During the past decade, corrupted and compliant legislatures, courts, and regulatory agencies have effectively removed



our society's reins on these profit-seeking powerhouses. Not since the robber barons of the late 1800s have those in executive suites felt so free (and even entitled) to work their will on the rest of us. And they are not hesitating. Their recent surge in abandonments of the Good Ol' USA is different from the offshoring of only a decade ago—today's are bigger, cruder, greedier, and wholly narcissistic.

The real difference is a fundamental, regressive shift in the ethos of the elites who run major corporate empires. These inordinately rich executives and investors believe that what they think and do is what's best, and everyone else should just get out of their way. This has led them to adopt a thoroughly unethical ethic of social irresponsibility, unilaterally decreeing that they and their corporate entities owe nothing to the country and the people who have nurtured and even coddled them.

They've even packaged their conceit in a hokey doctrine they've dubbed "shareholder hegemony" (see the *Lowdown*, February 2016). It asserts that corporations exist strictly to benefit their shareholders—*ergo* and hocus pocus, corporate managers bear a "mandate" to do whatever is necessary to increase stock values, no matter what this costs everybody and everything else.

Consequently, we're presently witnessing the murder of our country's manufacturing prowess by industry's own leaders. CEOs of even the most iconic, well-established, financially secure corporations—companies with deep roots in our communities—have gone bonkers, asserting a "moral duty" to shut down factories here, dump the workers, desert our hometowns, and hightail it out of country to any low-wage, low-environmental-standard refuge on the map.

Of course, the beneficiaries of this Kafkaesque doctrine of shareholder supremacy include not only the large stock owners, but also the very CEOs whose paychecks and bonuses depend on jacking up stock prices at our expense. It's a socially suicidal system, providing both an irresistible incentive and a moral excuse for executives to commit corporate treason, even as their moves expand the ever-widening chasm of inequality that cleaves our society. And, by the way, CEOs and billionaire shareholders aren't moving south with their bottom-wage factories, preferring instead to enjoy their life of luxury in America the Beautiful. Apparently unaware that their elimination of middle-class wages is eliminating their own customer base, they also expect you and me to continue being the primary

## YOU CAN GO NOW. HERE'S \$195 MILLION.

**ALTHOUGH, UNITED TECHNOLOGIES SAYS** it must skip off to Mexico with its Indiana factory jobs to save \$70 million in labor costs, the conglomerate has actually been exceptionally generous to its workers. Workers in the executive suite, that is. For years, the CEOs of UTC have ranked among America's highest paid.

Consider the corporation's cossetting of **Louis Chênevert**, who stepped down in November 2014 after six well-compensated years as CEO. The corporate board eased him out of his cushy executive chair for being too disengaged from the affairs of UTC and too focused on living the good life of wealthy swells. (The final straw came during a business trip to Asia, when he suddenly skipped over to Taiwan to check out progress on a sleek, 100-foot, 20-passenger, luxury yacht he was having built there.)

Rather than being bounced, though, Louis was squeegeed out with money: **\$31 million in pension benefits, \$136 million in stock options, and \$28 million in other compensation.** Sadly for him, he got no severance pay. Still, that **tidy \$195 million goodbye kiss** is more than twice the annual salaries all of UTC's 2,100 displaced Indiana workers.

buyers of their now foreign-made products.

And they wonder why an angry, populist rebellion is spreading like a prairie fire.

### It's getting hot in Indianapolis

If the chieftains of industry and their political henchmen want to know what's roiling the riffraff, they could read *Capital in the Twenty-First Century*, Thomas Piketty's landmark, 1,000-page book on inequality, or listen to one of Bernie Sanders's hour-long, tub-thumping speeches.

Or they could just spend 3 minutes and 32 seconds watching an online video showing a Carrier Corporation executive speaking to hundreds of workers in the air-conditioning giant's Indianapolis manufacturing plant this past February ([www.youtube.com/watch?v=Y3ttxGMQOrY](http://www.youtube.com/watch?v=Y3ttxGMQOrY)). The proud Steelworkers union members thought maybe they'd been called to the factory floor to hear about new orders for their quality products. After all, sales at parent-company United Technologies (UTC) were zooming—expected



Here are some ways to help unions battle runaway *Corporados Greedyados*:

**SUPPORT COMPANIES THAT MAKE THEIR PRODUCTS IN THE USA.** To learn more, check out the Made in America Movement: [www.themadeinamericamovement.com](http://www.themadeinamericamovement.com)

**TO LEARN MORE ABOUT THE NABISCO FIGHT** and to sign a petition in support of the Nabisco workers, visit: [www.fightforamericanjobs.org](http://www.fightforamericanjobs.org)

By the way, **you can still buy American-made Nabisco products.** To learn what to look for when buying groceries, check out the Check the Label campaign:

[www.fightforamericanjobs.org/check-the-label](http://www.fightforamericanjobs.org/check-the-label)

or [fightforamericanjobs.org/checkthelabel.pdf](http://fightforamericanjobs.org/checkthelabel.pdf)

And for more information on **rebuilding a strong manufacturing economy in the USA**, visit this site: [www.americanmanufacturing.org/issues/issues/made-in-america](http://www.americanmanufacturing.org/issues/issues/made-in-america)

## LOWDOWN

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**UTC'S SALES WERE ZOOMING, but instead of receiving praise and good news, the company's Indiana workers got an ugly surprise.**

to jump at least \$2 billion to \$58 billion in 2016.

Instead of receiving praise and good news, however, they got an ugly surprise. In the fuzzy video (recorded on a worker's phone) UTC/Carrier honcho Chris Nelson doesn't bother with any opening pleasantries. He gets right to the point, reporting in the dry tones of a corporate lifer that the bosses have decided, "The best way to stay competitive and protect the business for the long term is to move production from our facility in Indianapolis to Monterrey, Mexico." **KABLOOEY!** He couldn't finish his scripted sentence, for the entire assembly exploded like a human cluster bomb, with cries of disbelief, paroxysms of anguished working-class rage, raucous booing, and a steady barrage of "x#@! you."

"Please quiet down," the obtuse functionary instructed. But the devastated workers, realizing in an instant that Carrier is kicking their families right out of the middle class, just get rowdier. Then, as though he's delivering a line from *The Godfather*, Nelson assures the angry crowd that the corporation means nothing personal by taking their jobs: "This is strictly a business decision."

No, it wasn't. This was a calculated *greed* decision. Severing this workforce of 2,100 top-quality, experienced, and dedicated producers (1,400 at the UTC/Carrier factory in Indianapolis and another 700 near Fort Wayne) makes questionable business sense: The move to Mexico is expected to save UTC only \$70 million a year in labor costs—a blip on the spreadsheets of a global behemoth that hauls in \$56 billion a year in revenue and has an uninterrupted, 22-year record of increasing dividends. But UTC's greedy Wall Street investment bankers are demanding that the giant go on a cost-cutting binge aimed at generating a 17-percent hike in its stock price over the next two years. And what better way to please big institutional shareholders than to show a cold willingness to whack payroll.

Making such cuts is "painful," mused Carrier's top financial executive (though not to him personally, of course). But, he explained, they are necessary for "shareholder value creation," adding cheerfully: "We feel good about being able to execute on that." So a city must suffer a factory abandonment, and workers must have their decent-paying jobs taken from them just so some distant, don't-give-a-damn, rich shareholders can see a dollar rise in UTC's stock price. "Execute" seems like just the right word.

There's also an unstated motivation in play: Gregory Hayes's pride. The UTC chief had taken heat from a board of directors concerned that the stock price hadn't climbed as high and fast as Wall Street wants. Indeed, last year, Hayes took a "haircut" (corporatese for a pay cut). The board sliced his executive bonus in half!

"It's embarrassing," a financial analyst noted. "He got dinged." But no need to cry for Greg, however, since his 2015 paycheck still totaled nearly \$6 million. (A typical Carrier worker would need to stay on the job 150 years to earn that much.)

Welcome to the new, phantasmagoric Wild Kingdom of Corporate World, where prideful executive royals are empowered

to uproot the livelihoods of commoners in a ploy to (1) please Wall Street, (2) manipulate corporate stock prices, (3) collect extravagant bonuses, and (4) save face.

Notice that such whimsy was pulled off autocratically. Despite a unionized workforce, UTC/Carrier simply commanded the workers to assemble so they could be unilaterally dispatched—there was no negotiation, consultation, or any other say-so by them, the community, public officials, or anyone else. This is our new norm of plutocratic rule, envisioned and implemented by the rampaging forces of corporate avarice.

Don't think this is just a one-time Indiana problem. Carrier's chief financial officer blurted out to a *New York Times* reporter that top executives are eying other factories to move to Mexico. Look out Charlotte (NC), Collierville (TN), and Tyler (TX)—UTC and Wall Street will be punching a one-way bus ticket to Monterrey for your Carrier jobs next.

**Souring Chicago's sweet treat**

For generations, kids from 3 to 100 have loved munching on chocolaty Oreo cookies dipped in a glass of milk. But just over a year ago, the tasty treat suddenly went sour.

In May 2015, bakery workers in Nabisco's monumental 10-story plant in Chicago's Marquette Park neighborhood had been expecting some sweet news from corporate headquarters. Rumor had it

that their renown facility—after more than half a century and millions of Oreos—was about to receive a \$130-million modernization investment to upgrade equipment and add new production lines. So the future looked bright and spirits were high on May 15 when management convened members of Local 300 of the Bakery Workers Union to announce that the investment was indeed going to be made. In Salinas, Mexico.

For 104 years, the Marquette Park community has been proud that the delectable smell of "milk's favorite cookie" wafts through their neighborhood. But the noses of Nabisco's corporate brass are clogged with greed, incapable of sniff-



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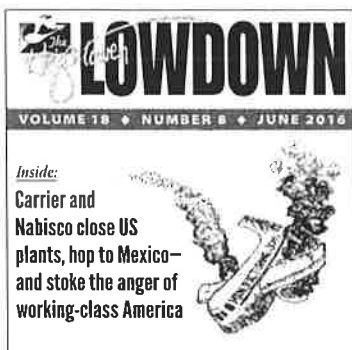
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PERIODICALS

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ing out anything but ever-fatter profits for themselves and other rich shareholders. So, taking the NAFTA low road, they intend to move the iconic Oreo brand—and the jobs of 600 top-quality bakery workers—from Chicago to Mexico, where the minimum wage is a bit more than \$4. Not per hour, but *per day*.

This is the tyranny of corporate globalization in action. In 2012 Kraft Foods split off its grocery business, which retained the Kraft name, and rebranded its remaining snack-food empire as Mondeléz International, which includes Nabisco and its many brands including Triscuit, Planters nuts, Ritz crackers, Chips Ahoy, and Oreos.

Such corporate empires now reign over millions of working families, arrogantly and even lawlessly making self-serving decisions from within the shrouded confines of faraway executives suites, wreaking havoc on workers, local economies, democratic values, and our sense of community. People affected get no input or warning (much less any real say-so) in the profiteering that now routinely strikes us like lightning bolts from hell.

Worse, the so-called humans who've enthroned themselves with this autocratic power find it amusing to toy with those they rule over. Mondeléz executives did exactly that after their sneak attack on Chicago's bakery workers. In a crude gambit to shift blame to the union, the plutocratic powerhouse claimed it had made an offer to Local 300 to keep producing Oreos in Chicago, but that recalcitrant union officials had refused.

Of course they did, for Mondeléz essentially proposed that the workers commit mass financial suicide. Here's the "offer": Since the move to Mexico is expected to save \$46 million a year, the conglomerate would graciously let the 600 ransom their jobs by paying that \$46-mil themselves. Just slash your annual pay and benefits (as well as your throats) by that amount, the executives told the union, and you can keep making Oreos for us. At a poverty wage. This from an outfit that banked \$7 billion *in profit* last year!

If Mondeléz executives are so inept that they can't find an honest way to fill a \$46 million hole, here's a suggestion: They could start by docking executive pay. The three top honchos—whose compensation last year totaled \$37 million—can damn sure afford it. CEO Irene Rosenfeld alone took a \$20 million paycheck in 2015, bringing her eight-year total to almost \$200 million.

I'd say her gluttony is hoggish, but that would be unfair to swine, which have far better manners and more delicate appetites.

**CORPORADOS GREEDYADOS SUCH AS** Gregory Hayes of United Technologies and Irene Rosenfeld of Mondeléz continue to be obsequiously deferred to and even celebrated as semi-divine social benefactors.

**This is OUR fight**

In a March protest outside Nabisco, a bakery worker held a hand-lettered poster aloft, proclaiming: "Crime Scene." She's right, but it's not just true of her Chicago workplace—the entire United States should be enclosed in yellow tape.

Corporate America is now openly flouting our laws, violating our ethics, and rampaging over our society's unifying sense of common decency ... because they can. Almost no one is telling them "no"—not Congress, the White House, Republicans, Democrats, the courts, the clergy (with the exemplary exception of Pope Francis), the police, the educational system, or others with power (and responsibility) to stand up to thugs.

We tell children to be good, to follow the Golden Rule. We teach that proper social behavior is essential, and that wrongdoing will always be punished.

But every day they see that America's biggest, richest, most powerful, and most influential institutions—giant corporations—are free to be as bad as they want to be. Corporations bully their way over anyone, anything, and any rule, creating the vast inequality that presently disgraces America. Yet, perversely, rather than being punished by our society's various authorities, *Corporados Greedyados* such as Gregory Hayes of United Technologies and Irene Rosenfeld of Mondeléz continue to be obsequiously deferred to and even celebrated as semi-divine social benefactors.

The carnage on working-class Americans won't stop until we actually start punishing these corporate malefactors. And that won't start until We the People overthrow today's clueless, elitist political establishment. The good news is that the current populist uprising—having spread from Occupy Wall Street in 2011 through Fight for 15, Black Lives Matter, Bernie 2016, and soon to What's Next—is the way to get that job done. Let's keep at it.