



'ANGUS BARKS'

By Jeff Francis
AEG Executive Board

Big Egos

The front cover of GE's 2006 Annual Report shouts "Big". The pages inside feature big photos of big executives; whose big ideas about making big profits make them big wheeler-dealers in the global economy.

Missing from the report is any photo representing the little guy: the GE workers whose efforts each day create those big profits.

GE Aviation made 2.5 billion in profits in 2005 on 11.9 billion in revenues. That's a 15% increase over 2004 profits. GE Infrastructure, including union locations in Lynn, Schenectady and Erie, pumped 7.8 billion into corporate coffers on worldwide sales of jet engines, steam turbines and train locomotives. That was a 14% increase over 2004, for GE's largest business segment. For 2006, GE projects another 15% growth in profits, and for the next 10 years, predicts that developing countries will buy \$3 trillion in infrastructure products.

In his report, Jeff Immelt says, "Every GE employee wakes up in the morning wanting to help a customer." That's a salesman talking.

In reality, every GE worker wakes up in the morning wanting to provide decent housing for their family, good education for their kids, and protection from medical misfortune. With all the money floating around this corporation, GE employees should not have to worry about these basic concerns. But most of us do.

During contract negotiations next year, the Union will bring the concerns of the little guy to the big executives with the big money. Without the Union, these concerns would never get a serious hearing at GE. The Union will fight for a fair shake for new-hires, and a fair share for retirees. Then we'll see how big this Company really is.

BIG FUND

Once again in 2005, all the pension checks sent out to all 207,000 GE retirees totaled only half the interest earned by the fund last year. That's because our Pension Fund is so big: Total assets reached \$49 billion. The Pension Fund is over funded by \$11 billion.

At the end of 2000, the Fund reached a similar height in assets and over funding. But the stock market decline that started before 9/11 and continued after, was the biggest single hit experienced by the Fund in over 50 years. Even at the worst point in that downturn, the Fund remained 4 billion over funded.

During the 2003 negotiations the Fund had started back upward, but with a backdrop of uncertainty, the Union agreed to improvements that were modest, not dramatic, for most of our members.

In 2007 negotiations, it is certain the Fund's finances can afford the dramatic increases our member's need, without affecting GE's competitiveness one bit. GE says we should be glad they are such good money managers, and we are glad. The Union says GE is too cheap with its pension benefits, and they are cheap.

A standard pension formula is 2% of earnings times years of service. At GE, our formulas range from 1% to 1.3% of earnings times years of service. That's great if you're a big executive with your picture in the Annual Report. But for the average employee in the Riverworks, those formulas are substandard, and need dramatic improvement.

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