

Lucent: Sad Tale of The Southern Strategy

by Barbara Boyd

Anyone denying the reality of the present economic collapse, or the false popular way of thinking about reality which is its cause, would do well to take in the fate of the senior manufacturing workers now losing their jobs at Lucent Technologies' Norcross, Georgia facility. Only comprehensive international political solutions, as LaRouche Democrats put forward, will provide any real solution for themselves or their families—but few of these workers, in their anger, are willing to admit that, and start to think.

Most of the Norcross Lucent workers are long-term victims of industrial side of the “Southern Strategy” stemming from Richard Nixon's Presidency. They streamed South from plants, such as Baltimore's Western Electric, which closed in the North during the 1980s “manufacturing recession” and de-industrialization of the U.S. economy. Some 1,000 of the 3,000 employees in this plant have 25 years or more of service to the company. If you believe that money is the metric of economic reality, and that “going along to get along” defines a good citizen, for a short time things seemed to be going spectacularly well in Georgia.

Lucent, a 1996 spin-off from the breakup AT&T's Bell Labs and Western Electric, was a leading light of the “New Economy.” Until last year the Norcross plant, which makes fiber optic cable, boomed, running three shifts a day as cable was laid throughout the United States, on the proposition that computers and the Internet promised a never-ending economic boom determined by “new” economic laws. (More than 90% of that fiber optic cable laid, has never been used.)

Lucent and the Communications Workers of America—which bought the New Economy myth lock, stock and barrel, and represents workers at the plant—touted the company 401(k) pension plan, largely composed of Lucent stock, as a new utopia. Workers' pensions invested in the 401(k) not only would ensure a stable retirement, but a rich one. The workers could not get enough of the 401(k) investments. No one stopped to question the premises of the New Economy bubble, or why many of them, former black industrial workers from the North, had recently found themselves back in the “New South” in the first place. Instead, they watched, glassy-eyed, as Lucent's stock value rose to over \$80 per share, thankful for their new role as “stakeholders.”

The present collapse hit Lucent full bore. Its stock has collapsed to hover around \$6.50 a share. Most workers lost

hundreds of thousands of dollars from their paper pensions in the process. Lucent has announced layoffs of over 42% of its workforce to date, cutting roughly 54,500 jobs. In a dash for cash to appease its Wall Street bankers, Lucent sold the Norcross plant to Furakawa of Japan and CommScope, Inc. of North Carolina. Furakawa, previously not a player on the world market, is looking to China to produce fiber optic cable, and used the purchase only to temporarily pump up its own stock in the slumping Japanese economy. It is looking to profit from marketing patents and other intellectual property formerly held by Lucent, not from producing cable in the United States.

No Severance or Buy-Out Packages

In order to sweeten the deal for Furakawa and conserve cash, no severance or buy-out packages were offered to senior workers with the transfer of ownership. Furakawa is already talking about the necessity of further layoffs. The CWA, rather than fighting for the senior workers, has hailed the deal, under which its union contract is simply transferred to the new owners, as the best thing that could happen in a bad situation, babbling to its angry members in New Age-speak about “closure” and “seamless transition.”

CWA claims to be making valiant efforts to get a \$40,000 buyout for senior workers who choose to leave before further cuts—one-quarter of what these workers are owed under the current contract terms. In the meantime, the senior workers—many of whom now stand to make \$268 per month and downward upon retirement, and most of whom face crushing debt burdens—can choose between staying on and facing the new company's axe as further cuts are made, or taking a buy-out now in the hopes of finding a new job in the depression. They are presently pounding the sand and venting haplessly in every direction.

There are weekly demonstrations against the \$5.5 million and \$3.3 million severance packages offered to Richard McGinn and Deborah Hopkins, the former chief executives of Lucent. There are suits for securities fraud and age discrimination already filed against Lucent by its senior workers. A suit against the union to abrogate the terms of its 1998 contract, which workers say was negotiated illegally, is under way. There is xenophobic racist and populist rage directed against the Japanese, Chinese and “globalization.”

Anything, it seems, except to focus on the real reason for the non-future now staring these workers in the face—their “going along to get along” with the insane myths about economic reality peddled throughout the last 30 years, and their view of themselves as “stakeholders” in that delusional “New Economy.” One 25-year veteran, who lost \$500,000 in paper values in her pension fund, was quoted in the *Atlanta Constitution*. She admitted she had been a fool to buy the New Economy hoax, but refused to examine her own mental processes. It simply “felt better,” she insisted, to vent against the fired leaders of the company.