

# Labor Officials Bend to Democrat Pressure on Health Care

By [Shamus Cooke](#)

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All the outrage that certain high-ranking labor officials showed in response to the Democrat's "Cadillac" health care tax turned out to be a big act.

Their angry performances earned them a prestigious visit to the White House, where a "negotiation" took place between President Obama and the union chiefs. And although it seems, at first glance, that Obama succumbed to labor's wishes, the opposite is true.

Originally, the "Cadillac" tax was to be a 40 percent tax on any health care plan that costs \$8,500 a year for an individual and \$23,000 for a family. This tax would affect millions of workers, who already fall within the bracket, or will be affected very soon due to rising health care costs. And although the Democrats are trying to sell this plan as a tax on the big insurance companies, the truth is far different. The New York Times explains:

"Most likely, insurers [companies] will drop their premiums just below the [tax] threshold. They could do that by setting higher deductibles and co-payments, managing access to care more tightly [rationing], or reducing benefits."  
(January 15, 2010).

The same editorial admits "...higher deductibles and co-payments would discourage some people, especially the chronically ill, from seeking medical care that they need."

What was the union head's "big success" in their negotiations with Obama? According to The Times, the threshold of the tax was increased "to \$8,900 for an individual and \$24,000 for a family."

So for all of the labor officials threatening, they were only able to "wrestle" a \$400 increase for individuals, and \$1000 for families.

Another "triumph" in the bargain for labor was that "health plans covering state and local

government employees and collectively bargained health plans would be exempt from the tax until 2018.”

Although a slight plus for public workers, more significantly, this amounts to a blatant divide and rule tactic. Many workers will be subject to the tax, while the best organized and often, most militant workers — public employees — are being bought off until 2018.

For the nominal heads of the labor movement to bargain such a frightening deal and promote it as a “victory”, makes many wonder if this is not simply business as usual, where working people always seem to get the short end of the stick? Even worse, the union officials actually committed themselves, in exchange for Obama’s benevolence, to use their organizational strength to promote the health care bill’s passage; a strength that was left at the White House front door during the “negotiations.”

Both the House and Senate version of the health care bill have enormous cuts in Medicare — hundreds of billions of dollars worth.

Also, people who feel unable to afford health insurance will be forced to pay for inadequate, corporate health care (the poorest will receive “subsidies” to help them buy the shoddy plans, which place no limits on co-pays, deductibles, etc.).

This, in combination with the “Cadillac” tax and the failure to offer a public health care option, amounts to an enormous attack on the U.S. working class’ standard of living. Workers who currently receive good health care through their employer will be pressured — through the new tax — out of these plans, and into the realm of the forced buying of rip-off plans that the rest of America will fall victim to.

The deal between the health care corporations, the Democrats, and now many labor officials, cannot go unanswered. Rank and file union members and those closest to them— supportable local or regional union leaders— must attempt to alter the policy of the top layers of the unions over their support of the corporate health care bill. All workers and the unemployed have an interest in seeing this health care bill defeated, not passed with union help, and must organize to make it so.

Which leads us to raise the question: why did top union officials go along with the dog and pony show at the White House that will leave vast majority of working people so disappointed?

It's possible that the labor leaders who met with Obama, fully aware of all of his vast corporate backing for an anti-working class health care bill, might have thought the deal they struck was the best they could get without mobilizing mass demonstrations on Washington, D.C., demanding a health care bill made for the working class — at the expense of corporate America. These union officials may have thought that such a militant tactic might embarrass the President, and thus undermine their “partnership” with him.

A real opposition to the current health care bill will require a politically independent mass mobilization by the Labor Movement to defeat the corporate-controlled Democratic health care “reform.”

Labor cannot continue to act as a lobbying “pressure group” on the Democratic Party. A different approach is needed. Labor must take the streets to demand Single Payer along with jobs, fully funded education, and other crucial demands that address the serious needs of workers and the millions of unemployed, all issues that the Democrats are unwilling to address.

Only a strong rank and file resistance to the bill — combined with popular community opposition — is capable of defeating this health care scheme that cannot be allowed to become law.

*Shamus Cooke is a social service worker, trade unionist, and writer for Workers Action ([www.workerscompass.org](http://www.workerscompass.org)). He can be reached at [shamuscook@yahoo.com](mailto:shamuscook@yahoo.com)*

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