

Talks intensify to end GM strikes

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Top bargainers for the United Auto Workers and General Motors have extended their negotiating sessions, and industry analysts say a deal may be reached soon to end the two strikes in Flint, Michigan which have crippled the car company's North American operations. GM is pressing for a settlement that would enable it to reopen its assembly plants by next week, following the end of its annual two-week shutdown, to prevent any additional losses from the strike.

UAW Vice President Richard Shoemaker has been meeting with top GM negotiator Gerarld Knechtel in a hotel outside Flint since Saturday. Shoemaker told the press, 'I think that there was more focus on the parties' differences than there's been in the past. I think that is encouraging.'

GM's stock rose \$3.43 per share Wednesday to \$73.18, its highest level since the before the second strike started on June 11. Wall Street investors anticipate that any settlement would follow the pattern of the previous 13 local UAW strikes, which did little slow the company's downsizing program.

GM Vice President Donald Hackworth reiterated the company's resolve Tuesday, announcing that directors were near completion of a 'rationalization plan' reviewing which vehicles, plants and future investments GM would maintain. Merrill Lynch analyst Nicholas Lobacarro recently said the company needs to cut nearly 50,000 jobs and close three assembly plants, given its shrinking market share. GM is also determined to sell part or all of its Delphi Automotive Systems parts division, which employs 68,000 workers.

The two sides are still negotiating over productivity levels at the Metal Center stamping plant, where 3,400 workers make truck hoods, fenders and vehicle frame parts. The company wants to increase output and end a piecework production system that exists in the engine cradle area. The union has already agreed to productivity increases, but the company wants a

binding commitment before it fulfills its previous pledge to invest in the plant.

At Delphi East, which employs 5,800 workers making spark plugs, engine filters and instrument clusters, the union and management are seeking to resolve differences over outsourcing. According to Bloomberg News the union is willing to allow the continued shifting of parts production to outside suppliers in exchange for an agreement that GM will not sell the plant outright before 1999.

Top UAW and GM officials are doing more than negotiating settlements at Flint East and the Metal Center. GM is reportedly demanding the settlement of disputes at two Dayton brake plants, where workers have already voted for strike authorization, and at a stamping plant in Indianapolis where workers are voting for strike authorization next week.

Analysts close to the situation say UAW officials may be willing to drop any resistance to GM's continued selloff of its parts division in exchange for a pledge that the company will bring new models into some of its aging assembly plants, like Buick City, which is scheduled to close next year. In addition, the UAW wants GM's support to pressure its outside suppliers to accept union contracts. This would guarantee the UAW continued dues income, albeit from workers who will make one-third to one-half the wages of Big Three auto workers.

The implications for workers were shown Tuesday when automotive supplier Peregrine Inc. announced that it will close two Michigan plants and sell a third in Ontario to keep from going bankrupt. The two plants, employing 1,215 UAW members and 294 temporary workers, were sold by GM to Peregrine in 1996.

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