

US auto union ends strike on GM's terms

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After nearly two months of struggle, with auto workers in Flint, Michigan and throughout North America sacrificing hundreds of millions of dollars in wages to fight General Motors' corporate downsizing, the United Auto Workers leadership signed an agreement accepting all of the company's major demands.

At the two plants in Flint where the workers struck, GM will have a free hand to eliminate hundreds of jobs and impose further speedup. GM's vice president Gerald Knechtel gloated that the agreement will impose productivity increases at these factories and three others involved in the final settlement. Wall Street's initial reaction to the strike settlement was a sharp rise in GM stock.

Summing up the agreement the *Detroit News* said the \$2.2 billion GM reportedly lost in the strike would '...buy GM the opportunity to intensify productivity efforts across its manufacturing empire, not just the strikebound Flint Metal Center. And the legal marker established by the arbitration hearing... is intended to chill the recent trend by the UAW of calling devastating strikes to force GM to allow the union to bargain new investment and products.'

The GM deal will provide an impetus to other car companies to step up their attacks on auto workers. The same day the GM agreement was announced, Chrysler chairman Robert Eaton said accelerated cost reductions and productivity gains would be the primary focus when Chrysler opens talks in 1999 for a new national contract with the UAW.

The flashpoint of the strike was the Flint Metal Center, where GM demanded substantial changes in work rules and productivity levels. The agreement signed by the UAW will establish new labor-management structures to enforce a 15 percent increase in productivity from workers in the engine cradle area. The union sanctioned the elimination of 500 jobs which

these changes will produce.

The job cuts, plus the loss of overtime pay, will reduce labor costs by \$45 million, precisely the savings GM was seeking. In its summary of the contract handed out to workers, the UAW stated 'both parties recognize the need to aggressively address the current state of Cradle Operations and adapt to the competitive challenges of the future.'

In what the union is calling a concession from management, GM agreed to complete its previously scheduled investment at the Flint Metal Center and refrain from closing or selling its Delphi Flint East parts plant or its two brake plants in Dayton, Ohio until January 2000.

At the Delphi plant in Flint, which went out on strike in mid-June, the UAW agreed to the further elimination of hundreds of jobs through outsourcing. The contract says only 5,000 out of 5,800 jobs will be guaranteed during the next 18 months. Some 240 workers will immediately lose their jobs as a result of the additional outsourcing, and GM will offer 400 workers early retirement packages.

Even the 'no close-no sell' agreement is based on further work rule and productivity concessions, with the UAW agreeing to the open-ended stipulation that 'the parties continue to work together to fix all unprofitable product lines.'

The UAW also agreed to prevent strikes at Flint's Buick City complex, stamping plants in Grand Blanc, Michigan and Indianapolis, and the brake plants in Dayton.

Workers at UAW Local 599 had voted for strike authorization from the UAW International to oppose GM's planned shutdown of the Buick City plant in Flint and the elimination of 2,800 jobs. The settlement of the local contract, which was part of the overall agreement, explicitly accepts the shutdown of the plant in September 1999. This decision by the UAW

bureaucracy will not even be subject to ratification by the Buick City workers.

As part of the agreement, the UAW and GM management will set up a new high-level body to suppress future local strikes.

A major consideration in calling off the strike was UAW leadership's fear that an arbitrator would support GM's claim that the local strikes were illegal. Such a ruling could cost the union hundreds of millions of dollars in damage claims.

There can be little doubt that the recourse to arbitration in this strike, and the union's well-publicized use of a potentially unfavorable ruling to justify ending the walkout, will become a rationale for blocking local strikes in the future.

The UAW bureaucracy was intensely concerned over growing signs of unrest and militancy among rank-and-file workers. When workers at GM's Mansfield, Ohio metal stamping plant threatened to walk out rather than use dies that had been transferred there from the strikebound Flint plant, the UAW International quickly ordered them to continue working. When GM reopened some of its idled plants, UAW workers in Romulus, Michigan and Bowling Green, Kentucky refused to handle parts produced by outside suppliers. Then came a series of votes, including the Saturn plant in Tennessee, requesting strike authorization.

From the outset the UAW bureaucracy sought to use the strike at GM, not to defend the rank-and-file, but rather to shore up its own position in relation to the company. With GM determined to press ahead and destroy another 50,000 jobs, the UAW bureaucracy is seeking to protect its own privileges, above all by proving its worth to the company in suppressing opposition in the work force to management demands.

On July 29 workers at the two struck plants in Flint overwhelmingly voted to approve the new contracts. The vote at the Flint Metal Center was 90 percent; at the Delphi East plant, 76 percent. The predominant feeling expressed to reporters from the *World Socialist Web Site* was not enthusiasm for the agreement, which many called a sell-out, but rather a consensus that there was no point in continuing to sacrifice when the UAW leadership offered no perspective to win the struggle.

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