

Western New York hit by spin-off of General Motors' parts division

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The decision by General Motors to spin off its Delphi Automotive Systems will heavily affect Delphi Harrison Thermal Systems which is headquartered in Lockport, New York. Harrison is western New York's largest private employer with 6,400 employees, and has

11,300 workers worldwide. It produces radiators, air conditioners and ventilation equipment for all GM cars and trucks, as well as non-GM customers who account for 36 percent of its total business. The work force has already been reduced to 6,100 through attrition since March 1998.

Under the proposed restructuring, the local company will have to win business from more non-GM enterprises. General Manager Ronald M. Pirtle said \$305 million would be invested over the next 5 years in automated equipment. The company has made an unprecedented request for a \$20 million state grant to fund automation and retraining for a facility that generated \$2.9 billion in sales; 9 percent of Delphi's \$31 billion total. The Delphi facility was made a separate unit in 1995 and spin off plans were discussed in 1997. With the strike less than a week old, the *Buffalo News* ran full-page articles on cooperative UAW-management schemes implemented over the previous eight months to increase labor efficiency at Delphi.

The local UAW officials who pushed through these pro-company agreements were rewarded by the union hierarchy. At the Las Vegas UAW convention, Michael Watier, President of UAW Local 686 in Lockport, was elected Trustee of Industrial Relations and local official, Geri Ochocrika, was promoted to UAW Regional Director giving her reign over 55,000 UAW workers in three states.

After 1999, workers who fall short of the necessary years of service to get a GM pension, have the choices

of accepting a smaller pension plan from Delphi or the unlikely prospect of transferring to another GM site. Delphi will also impose some form of a two-tier wage structure with new workers receiving reduced wages and benefits.

An article in the August 9 *Buffalo News* gives a distorted view of history. It starts, 'When angry United Auto Workers gathered in Las Vegas...union spirits revved like a turbo charged Camaro.' It also referred to AFL-CIO President John Sweeny and House Minority Leader, Richard Gephardt as 'luminaries' for applauding the striker's stand

against jobs going to low-wage nations. The truth is, in line with the UAW leaders' insistence that the Flint strikes were only local struggles, the GM strike was passed over at the convention. The only anger the union officials demonstrated was over the prospect of lost union dues and bureaucratic privileges that a major GM downsizing would cause.

The *Buffalo News* article quotes an auto industrial analyst at First of Michigan in Detroit, 'To really treat the UAW as a partner the way Chrysler and Ford do, GM needs to sell the union (Reorganization) ..instead of presenting it to them.' The method of 'selling' was later described, 'GM will have greater leverage when the labor contract expires in September. Without a new agreement the company may stop paying union officers and cut off other checks that soften the impact of a strike...'

Put into honest terms, the workers will either accept being laid off permanently, brutal line speedups, and loss of retirement benefits or face financial bankruptcy with no unemployment or medical coverage during a strike. It is unquestionable that an anti-working class trio composed of GM executives, the corporate-controlled press and the UAW officialdom, has been

working in tandem. They have focused on derailing worker opposition to the parts division restructuring located here, before, during and after the strike.

See Also:

General Motors worker discusses the Flint strikes

[11 August 1998]

After the defeat of the GM strike: What way forward for auto workers?

[3 August 1998]



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