

UAW agrees to axing of Dayton brake plant jobs

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Workers have ratified a no-strike agreement between United Auto Workers Local 696 and General Motors that provides for the elimination of up to 1,700 jobs at two Dayton, Ohio brake plants over the next three years. Of 3,400 workers eligible, 2515 voted, with 2088 voting in favor and 427 voting no.

The pact sets the stage for the closure of the south brake plant on Wisconsin Boulevard and the consolidation of production at the north plant on Needmore Road. It sanctions the destruction of hundreds of jobs, which are to be shipped off to the lowest cost bidders.

The job cutting agreement in Dayton is one of the first fruits of the capitulation by the UAW last summer in Flint, where workers at two parts plants struck for 54 days against GM's threat to outsource jobs. The walkout ended with the UAW pledging to suspend local strikes and giving management the green light to ax tens of thousands of jobs. In the wake of the strike GM announced plans to spin off its Delphi Automotive components division, which includes the Flint parts plants and Dayton brake plants.

The agreement in Dayton follows years of provocations by GM. Workers at the two Dayton brake plants struck for 17 days in 1996 against outsourcing. Following the strike, GM issued new outsourcing notices. Management then produced figures purporting to show the plants were losing money and issued threats to sell or close the facilities.

Under terms of the newly ratified agreement the company has pledged not to sell or close either plant before 2002. Eligible workers that retire early will receive a \$25,000 bonus.

In return the UAW has adopted a list of concessions.

* The union is waiving GM's obligation under the national contract to hire one new worker for every two

that retire.

* The UAW has signed off on a timetable for the outsourcing of hundreds of jobs from the two plants and the elimination of hundreds more through 'productivity improvements.'

* General Motors may hire temporary workers at a substandard pay rate to fill any vacancies that occur.

* The union has pledged to identify and help implement other cost savings in order to guarantee a \$55 million operating profit by 2003.

Under this agreement the UAW has pledged, more openly than ever before, its full collaboration in carrying through wholesale job losses. In fact, so determined is the UAW to aid GM that money for early retirement incentives will be paid out of the GM/UAW National Training Fund.

The UAW has agreed explicitly to the outsourcing of 975 jobs, including 328 jobs making anti-lock brakes. It is further committed to eliminating another 330 jobs through increases in productivity--that is, by squeezing more production out of the remaining work force through job consolidation and speedup.

The memorandum of agreement adopted by the UAW sets no limits on further concessions by the workers. It states, 'Although, at this time, specific initiatives have not been identified, the parties commit to productivity improvements and reductions in headcount, burden, material, and allocations in progressing towards a five percent or greater net profit margin. Taking advantage of the attrition curve may also help the plant achieve the profitability objectives. In addition, other cost improvements will be pursued including the consolidation of the Wisconsin/ Needmore operation into the Needmore plant.'

The pact establishes 'continuous improvement teams' for each product line. These committees, composed of

union and management representatives, will be responsible for identifying additional areas for job cuts and speedup throughout the term of the agreement.

The attack on auto workers in Dayton sets a new benchmark for concessions throughout GM. It represents a major step toward GM's plans to spin off its Delphi Automotive parts division. An analyst for the Wall Street investment house Merrill Lynch praised the job cuts, declaring, 'Hopefully this is going to be the model for future agreements.'

See Also:

After the defeat of the GM strike, what way forward for auto workers?

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