

Concessions at Dayton Delphi plant reveal content of new contracts with US auto companies

John Austin
25 October 1999

The new four-year agreements signed by the United Auto Workers for 370,000 US workers at General Motors, Ford, DaimlerChrysler and Delphi Automotive Systems have been praised in the financial press. In an article entitled, "The auto talks: who really won," Businessweek magazine noted that although wage increases were the largest for auto workers in two decades, "nobody blinked an eye, not even Big Three shareholders or inflation-wary Wall Street economists." The magazine noted that the auto companies had achieved "freedom to restructure their workforces and boost efficiency," and that any job-security measures the auto companies agreed to in the national contract "can be bent—or even ignored—in plant level negotiations."

The content of these new agreements can be better understood by examining the experience of UAW members at the Delphi brake plants in Dayton, Ohio, which were owned by GM until the spin-off of its Delphi parts division last May. Below is an article submitted to the World Socialist Web Site by John Austin, who recently retired from the Dayton Delphi brake plant after 31 years of service.

In March 1996 the members of United Auto Workers Local 696 struck the two Delphi brake plants in Dayton, Ohio. The strike led to the shutdown of 26 of the company's 29 assembly plants across North America, idling 180,000 auto workers. The contract settlement included \$5.6 million in grievance payments and commitments by Delphi chassis to replace jobs lost to outsourcing. Although this was officially a local strike, unofficially both GM and the UAW International were attempting to win pre-contract concessions from one another. GM wanted to establish outsourcing as an openly acceptable means of eliminating workers and boosting profits. The UAW leadership wanted to slow down the pace of outsourcing, which has undermined the amount of dues income it has received because of its falling membership.

So while both sides claimed victory it was Delphi management and GM who had placed themselves in a very

strategic position to carry out their plans to wipe out thousands of jobs worldwide and change work rules in order to help guarantee huge profits.

Last May Delphi Automotive Systems was spun off by GM and became a wholly independent company. Based in Troy, Michigan, it has 204,000 employees in 169 plants, 40 joint ventures and 27 technical centers in 36 countries. There are over 1,500 Delphi workers in the Dayton area at seven plants who produce various automotive parts.

Because of its strategic position in GM's system, the Delphi chassis brake division in Dayton, with 2,800 workers, has been the UAW bureaucracy's "big stick" whenever they wanted to put the squeeze on GM to settle issues at other plants. It is very instructive to analyze what has happened at the Delphi brake plants since 1996 in order to gain insight into current developments in the auto industry.

The aftermath of the 1996 strike saw the immediate overturning of the agreement. To add pressure on the workers, GM put both plants on its list of "troubled plants," i.e., those that could be closed or sold because of falling profits. The union leadership's response was to make more concessions in the October 1997 local contract. In spite of those new concessions, things got progressively worse to the point where in June of 1998 the local leadership sought strike authorization, saying that management's commitments "lack integrity and credibility." It was also during this period that Delphi management presented UAW Local 696 with a document indicating that the workforce must be reduced from 3,000 to 1,500 by the end of 1999.

What was the response of the UAW leadership? It was to conclude an agreement in July 1998 that allowed the gutting of work rules and jobs. In meetings with workers, Local 696 Shop Chairman Joe Buckley said, "Everyone must now devote their entire focus to saving the plants." He went on to say, "Because of not understanding the business, we have forced the company to make decisions that were bad for business." If there were ever any doubts about whose

interests the union bureaucracy represents, this statement should put them to rest. Buckley was insisting that workers totally submit to management for the good of the business.

This process culminated in a memorandum of agreement between Delphi and Local 696. New concessions were to be legitimized by an “objective” study done by a non-interested “third party,” in this case, the accounting firm of Price, Waterhouse & Cooper. PW&C, to no one's surprise, came back with a proposal to dismantle the most basic protections in the local contract and ruthlessly increase the exploitation of workers at the plant. In the memo both sides agreed to eliminate hundreds of production jobs, all of which were at issue in the 17-day strike in 1996. Among the jobs let go were 328 anti-lock brake jobs that at one time were being touted as the future of the plant.

Other provisions agreed to were a substantial increase in productivity, a euphemism for raising production standards, and elimination of make-out and quit. Over 1,700 jobs will be eliminated through attrition with the help of an incentive retirement bonus, and this memorandum agreement extends the contract to September 2002. Until that date management agreed not to close or sell the Dayton Delphi brake plants in exchange for a no-strike pledge good until that same date. In addition, the union made a commitment to help Delphi break even by the year 2000 and attain a 5 percent net profit by 2003.

Since this agreement went into effect in Dayton hundreds of temporary workers have been hired to replace retirees at \$15 an hour with no benefits, more than \$6 an hour below what permanent workers are paid. After purchasing full medical coverage, which could run as high as \$500 to \$600 a month, these workers have a real income of around \$10 or \$11 an hour.

Even with the hiring of temporary workers, some vacant jobs are going unfilled or are reassigned to workers who already have other jobs. Overtime is still being used to meet production schedules, which further reduces the number of workers needed to be hired. Lastly, there still looms the eventual closing of the Wisconsin Blvd. plant, one of the two brake plants, which could wipe out all temporary workers as well as some permanent workers hired as far back as 1985.

This is the real meaning of the new contracts signed by the UAW and the Big Three auto companies. The \$1,350 bonuses, the annual pay raises and retirement incentives are all paid for with more sacrifices and concessions from the workers. The auto companies have successfully won the right to pick up the pace of downsizing and dismantling whatever is left of decent wages, work rules, job security and benefits that have set auto workers apart and made them some of the best paid industrial workers in the US.

To save themselves the union officials are splitting the workforce by negotiating contracts that pay higher seniority workers with savings generated by job cuts and underpaying lower seniority and temporary workers.

For their part autoworkers have struck in places like Dayton and Flint, Michigan to fight the attacks from the auto companies. At the same time their distrust of the union leadership has grown with each contract, which more and more workers view as betrayals.

However, the fundamental problems facing auto workers, and all workers for that matter, cannot be solved on the basis of a trade union struggle, even if the unions were led by honest militants, which they are not. The restructuring of the auto industry is being driven by the world crisis of capitalism. The global auto giants are engaged in a life-and-death struggle to cut costs and gain market share against their rivals. Nissan's recent announcement that it will cut 21,000 jobs is part of the global consolidation that threatens the jobs of millions of auto workers worldwide.

Because the UAW officials, like their counterparts in the labor bureaucracy throughout the world, defend the profit system, they have become junior partners in the auto companies' drive to extract further concessions from auto workers. At the same time, they have attempted to slow down the loss of dues income by appealing to the auto companies to assist them in organizing nonunion assembly and parts plants.

The only viable alternative to the ever-worsening situation for workers in the auto industry is a political struggle against the capitalist market and for the establishment of a world socialist planned economy. Only if production is based on the needs of all people can the vast achievements of modern technology be used to shorten the workweek, guarantee safe and decent working conditions and provide employment and decent wages for all workers.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact