Large vote against union-backed concessions at Ford

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In a sign of growing opposition to the United Auto Workers (UAW) bureaucracy, a near majority of Ford Motor Company workers voted last month to oppose the health insurance concessions and wage cuts endorsed by the UAW.

Despite an all-out effort by the UAW bureaucracy to get the measure passed, 49 percent of those who voted rejected the deal in the largest "no" vote since 1982, when concessions at General Motors were narrowly approved by a 52 to 48 percent margin.

Opposition to the deal was organized on the Internet and spearheaded by rank-and-file workers at Ford factories targeted for closure, including the St. Paul, Minnesota assembly plant. Workers were especially angered by the attack on retired workers, whom the UAW bureaucracy would not allow to vote.

Under the Ford agreement, retired auto workers would be required to pay monthly health care premiums for the first time, as well as annual deductibles and co-payments for medical services, including a $50 emergency room fee. The concessions will reportedly cost a maximum of $370 a year for individuals and $752 for families, but additional costs are likely.

Hourly workers will see drug co-payments rise and will be compelled to contribute 99 cents out of a wage increase due in September as well as a portion of their cost-of-living allowances—or about $2,000 a year—to a trust for future health care expenses.

The pact, which covers 367,000 active and retired hourly workers and their dependents, is expected to save Ford $850 million annually and reduce its long-term health care liability by $5 billion. It will remain in effect until 2007, when the current contract expires. The UAW has already indicated its willingness to grant even greater concessions in the next round of negotiations with the US auto makers.

The Ford vote follows a 39 percent "no" vote last November on a similar package pushed by the UAW for General Motors workers, and growing opposition by Delphi workers to massive wage and job-cutting demands by the auto parts company, which was spun off from GM in 1999. Industry analysts are concerned that a similar deal now being negotiated by the UAW and DaimlerChrysler may be rejected, particularly since the company is profitable and has recently lavished its executives with multimillion-dollar bonuses.

Several large locals overwhelmingly rejected the package, including Kansas City, Missouri; Norfolk, Virginia; St. Paul; Chicago; Wixom, Michigan; and Louisville, Kentucky. Workers voted down the pact at these locals by margins of 60 to 79 percent.

The UAW International in Detroit has refused to say how many of its 87,000 active hourly Ford workers voted or provide a local by local breakdown of the vote. "I'm not going to get into dissecting election results," UAW spokesman Paul Krell said.

Union members in several locations, including Dearborn, Michigan, Chicago and St. Louis immediately challenged the results, complaining of voting irregularities and arguing that acceptance of the deal was unlikely given that several large union locals overwhelmingly rejected the pact.

At the River Rouge complex in Dearborn—where UAW Local 600 officials said the package passed by 68 votes out of more than 5,000 cast—UAW members report that union officials circulated plastic jugs to collect "yes-no" slips that were not numbered, as they usually are when officers are elected.

Local officials who backed the Ford deal were stunned by the vote. Rocky Comito, president of Local 862 in Louisville, said, "People were aggravated and said we are trying to force it down their throats. It's very disturbing to me that our members don't have confidence in our international executive board."

UAW President Ron Gettelfinger said in an interview with *Automotive News*: "This is a step back. That's why we agonized over this daggone thing all summer. It's a step back. But we felt like it's a necessary step."

The response to Gettelfinger's comments from one worker, posted on a web site set up by UAW dissidents, expressed the contempt felt by auto workers for the UAW bureaucracy. As to what the UAW bureaucracy was doing all summer, the worker said, "And I thought you were enjoying Black Lake golfing, trips to Washington, DC, Las Vegas and Palm Springs. My mistake. You're worthless Ron. We need to fire you and your worthless vice president."

The vote was a repudiation of the UAW bureaucracy's long-standing insistence that workers sacrifice their jobs, working conditions and livelihoods to defend the profits and competitiveness of the American automakers. Workers also see that, contrary to the promises of the UAW bureaucracy that concessions will "save" jobs, such deals are inevitably followed by downsizing and mass layoffs.

Only weeks after a similar deal was approved at GM, the corporation announced plans to shut down 12 facilities and wipe out 30,000 jobs. Later this month Ford is scheduled to announce its own job-cutting plan that will reportedly involve closing at least 10 plants and cutting 25,000 to 30,000 hourly jobs in North America. Ford also plans to eliminate 4,000 salaried positions, in addition to 2,750 salaried jobs cut in 2005.

The concessions at Ford and GM—and those now being negotiated at DaimlerChrysler—are an historical reversal of fully paid pension and medical insurance won by auto workers over decades of struggle. Partially funded pensions and health care programs for active and retired workers were won in 1950 after a 104-day at Chrysler, and full medical coverage for workers was not achieved until 1961. In 1970, GM workers struck for 67 days to win the "30 and out" retirement clause that guaranteed pensions after working three decades, regardless of age, as well as prescription drug coverage for retirees.

The new concessions set a precedent for destroying these hard won gains. The deals at GM and Ford reportedly include the establishment of a multi-million-dollar "defined contribution" fund—jointly controlled by the UAW and the auto companies—to cover future health care costs for retirees. This is the first step in replacing "defined benefit" plans, under which companies pay guaranteed pension and medical benefits.

The Ford pact will require the ratification of the federal courts because of potential legal challenges from retirees, who are arguing that the UAW cannot negotiate for them since they are no longer allowed to vote on the deal. In an effort to preempt such legal challenges, the UAW bureaucracy went to court against its own members at GM last November.

US District Judge Robert Cleland gave preliminary approval to the agreement between the UAW and GM on December 22. The judge asked how "anyone in his right mind" could oppose the deal and said both sides had "more than adequately" demonstrated the need for concessions.

The judge is expected to make his final ruling on March 6 after considering any objections from retired workers and their survivors. Cleland ruled that anyone who does not file a written objection "shall be forever barred and precluded from making an objection to the fairness or adequacy of the proposed Settlement Agreement."

During the court session, attorneys for the UAW argued on behalf of the GM bosses. "To paraphrase an old fable," UAW attorney Julia Clark told the judge, "A dead goose doesn't lay any eggs."