

Workers strike Goodyear tire plants in US and Canada

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10 October 2006

More than 12,000 workers walked out at 16 Goodyear Tire & Rubber plants in the US and Canada on October 5, three months after the expiration of the labor agreement between the world's third largest tire maker and the United Steelworkers of America (USWA) union.

Goodyear workers, who have suffered years of mass layoffs and concessions contracts negotiated by the USWA, are resisting demands for a huge wage cut for new-hires and a further erosion of pensions, medical coverage and working conditions for current employees. The company is also demanding the shutdown of factories in Alabama and Texas, wiping out the jobs of more than 2,000 workers.

The strike effects 440 workers at an Akron, Ohio plant and a research lab at the Goodyear headquarters; 1,200 at a truck and aircraft tire plant in Danville, Virginia; 2,400 at car tire plant in Fayetteville, North Carolina; 1,250 at another car tire plant in Gadsen, Alabama; 600 at a St. Mary's, Ohio tire track facility; and 1,000 workers at a hose and belt facility in Lincoln, Nebraska.

Another 1,200 workers walked out at a Goodyear-run Dunlop plant in Tonawanda, New York; 1,500 at the Topeka, Kansas truck and earthmover tire plant; 2,800 in Union City, Tennessee; 940 in Tyler, Texas; and 200 each in Marysville, Ohio and Sun Prairie, Wisconsin. In addition 1,000 Canadian workers struck facilities in Toronto, Collingwood and Owen Sound in Ontario.

In August, the USWA accepted a concessions agreement with Michelin's BF Goodrich Company, which was designed to set the pattern for the industry as a whole. The givebacks included a lower pay scale for new-hires and the diversion of one dollar from a cost-of-living pay increase scheduled for current employees into a Retiree Trust fund, enabling

Goodyear to continue to shortchange payments into its pension and retiree health care funds.

Despite the union's recommendation, nearly 40 percent of rank-and-file tire workers voted against the pact. The new minimum wage for new-hires was set so low—\$13 an hour—the union included language in the contract that would allow the company “at its own discretion” to increase the wage if it found it too difficult to attract new employees.

Goodyear rejected the industry-wide pattern and demanded even bigger concessions. These reportedly include a 50 percent wage cut for new-hires, which would reduce wages from \$20 an hour to as low as \$10 an hour. This is in line with the demands for a permanent lowering of industrial wages being demanded by Delphi, Caterpillar and other major manufacturers in the US.

In addition, the company wants the right to shut two plants and overturn the “job-retention” agreement the USWA signed in 2003 in return for the givebacks the union granted that year. With the company losing \$1 billion and threatening bankruptcy, the USWA agreed to the elimination of 6,000 jobs and the closure of the Huntsville, Alabama facility, as well wage, pension and health care cuts.

On the picket line in Tonawanda, New York, near Buffalo, Kathy Kluczynski, spokeswoman for USWA Local 135, told the *World Socialist Web Site*, “The 2003 agreement gave 2 years of pension money back. If I have 30 years I will only receive 28 years of service benefits. Employees were required to pay medical premiums for the first time, and we gave the company work rule changes permitting job consolidations for increased productivity.”

The 2003 concessions allowed the company to return to profitability for the first time since 2000 and its stock

has rebounded from \$4 per share in 2003 to over \$14 currently. Goodyear CEO Robert Keegan pocketed salary and stock options worth over \$7 million in 2005.

Despite increased profits, Keegan and the company's big shareholders are demanding even greater givebacks, saying the company's long-term financial health depends on reducing labor costs and the amount it pays out to tens of thousands of retired rubber workers and their dependents.

Jim Allen, Goodyear's chief negotiator, complained that the union was unwilling to include "key items found in their agreements with competitors." He added, "We simply cannot accept a contract that knowingly creates a competitive disadvantage versus our foreign-owned competition and increases our cost disadvantage versus imports."

The concessions will have a devastating impact. Widows of Goodyear union workers who gathered at the USWA Local 2 union hall in Akron last week said that once their husbands died, the pensions stopped as well. That left many of them to rely solely on Social Security. If a new contract forces higher medical payments on them, that would be a real burden, they said.

For its part, the USWA bureaucracy—which absorbed the failing United Rubber Workers (URW) union in 1995 after the destruction of tens of thousands of union jobs in the tire industry—is only making an issue of "job security" because its dues income has been severely undermined. Like other industrial unions, the USWA is willing to impose huge pay and benefit concessions on its members in return for guarantees that the companies maintain a minimum level of union employees.

"Our Union has shown that it can be an extremely innovative partner," said USWA executive vice president Ron Hoover, the union's Goodyear contract coordinator, "provided that we're engaged in a fully informed and open dialogue with the company, and as long as the company is mindful of its substantial and continuing obligations to our members, retirees and their communities." Hoover has advocated a labor-management collaboration scheme focused on improving company products, marketing and capital investment to secure the "competitiveness" of Goodyear's US operations.

With no negotiations scheduled, Goodyear is continuing production at its non-union facilities in

Lawton, Oklahoma and Napanee, Ontario and using management personnel to maintain operations at the struck facilities. The strike, however, could quickly affect auto plants in the US, which depend on just-in-time delivery of parts and maintain a very slim inventory of tires. Wall Street is bankrolling Goodyear for a prolonged strike.

"Goodyear is in a very strong position" versus the union, said Shelly Lombard, a credit analyst who follows the company for the New York corporate bond research firm Gimme Credit. "They have tons of liquidity."

Goodyear can tap about \$3 billion—\$1.5 billion in cash and the rest in credit—to weather the strike, she said. "More importantly, I think investor sentiment is with [the company] ... Goodyear has got to be able to compete."

In 1976, rubber workers conducted a 142-day strike against Goodyear to win cost of living allowance. Over the last three decades, the URW and then the USWA pushed through a series of concessions contracts and acceded to the destruction of tens of thousands of jobs.

The 1995 merger of the URW and the USWA followed the betrayal of a bitter ten-month strike by 2,300 Bridgestone-Firestone workers at plants in Ohio, Illinois, Indiana, Iowa and Oklahoma. Similar struggles by tire workers at Goodyear 1997 and a three-year strike at Titan were also isolated and sold out.

In the current strike, the USWA has divided the Goodyear workers from the rest of the workers in the tire industry—who are facing similar demands for massive rollbacks. Instead of a unified struggle, the union bureaucracy is spreading the poison of American nationalism to divide US workers from their international counterparts in the global tire industry and parading Democratic politicians on the picket lines, to promote illusions that these big business politicians are "friends of labor."



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