

Strike by US and Canadian Goodyear workers in third week

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23 October 2006

The strike by some 15,000 members of the United Steelworkers against Goodyear Tire and Rubber at 16 facilities in the US and Canada is in its third week with no negotiations scheduled. No talks have taken place since the walkout began October 5.

The company is demanding significant concessions and is threatening to close two tire plants in Alabama and Texas, employing 2,000 workers. Goodyear workers took major concessions in 2003 when the company faced bankruptcy. The agreement permitted the company to close its Huntsville, Alabama facility and included cuts in wages, pensions and health care benefits.

Goodyear is maintaining production at the struck plants using salaried personnel. The company apparently increased stockpiles of inventory in anticipation of a strike. According to the Rubber Manufacturers Association there was a 51 million passenger tire stockpile in member warehouses in August, a five-year high.

The company is also using tires from its international operations as well as nonunion facilities in Lawton, Oklahoma and Napanee, Ontario to make up lost output due to the strike. Two other USWA represented Goodyear plants in Canada are also continuing to operate under terms of separate contracts.

On October 18 a supervisory employee, Fred Gerrells, was seriously injured at the company's facility in Danville, Virginia. Paramedics on the scene had to perform advanced life support on the victim, who suffered broken bones. The company refused to give any additional information about the accident. Gerrells was one of those managers the company had pressed into production work to replace striking union members.

In response to reports of the accident the wife of a Goodyear striker commented in a letter posted on the web site of the *Danville Register and Bee*, "It takes months and even up to a year to learn how to run the machines

and Goodyear puts someone out there who has no idea what they are doing and no one there to teach them. Yes, it is Goodyear's fault. Our prayers are with the injured and his family."

Goodyear, which controls the largest share of the US market, is using the assault on its employees to bolster its position against domestic and foreign rivals. Financial analysts have cited the need for the company to continue slashing costs in order to become globally competitive. "This company clearly has a North American cost structure that is far worse than about any other strike maker," said Himanshu Patel, an analyst at J.P. Morgan Chase. "So the company really had to send a message to the union that, at a minimum, they can't be uncompetitive relative to their foreign peers."

In 2005 Goodyear profits were up 7 percent, to \$337 million. It paid CEO Robert Keegan over \$7.7 million in salary and stock options in 2005, including a \$2.6 million bonus. The company had 2005 sales of \$19.5 billion. As part of its restructuring, the company is planning to close a plant in New Zealand employing 400 workers, as well as the Goodyear Dunlop United Kingdom factory in northeast England, which employs 600 workers.

The company says it has borrowed an additional \$1 billion against an existing line of credit in anticipation of a long strike. Goodyear had about \$1.3 billion in cash when the strike started.

In stark contrast to the militant anger of Goodyear workers over wholesale destruction of hard won benefits, jobs, wages and working conditions, the USWA launched the strike with the greatest reluctance and has conducted the struggle in a desultory fashion.

The contract between the USWA and Goodyear expired in July, and negotiations continued under a day by day extension. Goodyear refused to accept the terms of an agreement negotiated by the USWA with Michelin, which reportedly slashed labor costs by 20 percent, demanding

even more drastic cuts. These included a 50 percent reduction in pay for new hires and the diversion of money from scheduled cost-of-living increases into a Retiree Trust Fund.

The USWA web site barely carries a reference to the fact that a strike is taking place. It quotes USWA executive vice president Ron Hoover, who laments, “It’s a sad situation and a poor reflection on this company that we are forced to take this action after all we have done for them.” It goes on to boast of the cooperative role played by the USWA in allowing the company to boost productivity and profits over the last three years by agreeing to drastic concessions in 2003.

Strikers will not even be eligible for minimal \$100 weekly strike assistance payments from the USWA until the end of the third week of the walkout.

Goodyear employs 80,000 workers worldwide and operates 100 plants in 29 countries. However, the chauvinist policies of the USWA bureaucracy, which pits North American workers against those overseas, make it impossible for American and Canadian rubber workers to unite with their fellow workers at Goodyear facilities in other countries.

Indeed, the USWA bureaucracy has sought to pit unionized Goodyear workers against workers at nonunion plants in the US and Canada by urging the company to close those facilities as an alternative to the plants in Texas and Arkansas that it has targeted for closure.

Meanwhile, talks are continuing between the United Steelworkers and Bridgestone. The USWA is the bargaining representative for 6,000 Bridgestone tire workers at eight US plants. Workers have been held on the job under a day-to-day contract extension. The company is demanding cuts in benefits and is threatening to close its Oklahoma City facility. The USWA has rejected calling a strike that would unite Goodyear and Bridgestone workers in a common struggle. Instead it says it has suspended negotiations with Bridgestone until the Goodyear strike is settled.



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