

Goodyear strike in North America enters seventh week

Tony Bell
21 November 2006

Contract talks have broken down between Goodyear Tire and Rubber Co. and the United Steelworkers of America (USWA) union as the walkout by 15,000 workers at 16 plants in the US and Canada enters its seventh week.

The United Steelworkers broke off negotiations talks November 17 after the company presented a proposal that included the closing of one plant and the establishment of a separate trust fund for retirees' health care.

The USWA charged that the new trust fund, with \$660 million in funding, would not come close to covering obligations owed by the company toward retirees' health care. The new proposal affirmed the closure of Goodyear's unionized plant in Tyler, Texas, which the company had slated for closure in an announcement issued late last month.

No new talks between the USWA and the world's third largest tire maker are scheduled. Goodyear, which borrowed one billion dollars to sustain a long strike, is using salaried and temporary employees at struck plants and relying on production from its international plants to fill current orders. Several strikebreakers have been injured attempting to use machinery normally requiring many months of training.

Following the termination of negotiations the USWA announced it would launch, in coordination with the AFL-CIO, a nationwide "Day of Action." No date has been set for this activity, including a call for a consumer boycott backed by "informational actions" at stores selling Goodyear products.

While the labor bureaucracy organizes a toothless public relations campaign, Goodyear with the backing of Wall Street and the entire tire industry is determined to push through sweeping attacks on current and retired employees.

Goodyear is demanding plant closings and layoffs, and even greater concessions in wages, medical coverage and pension funding than the USWA provided in a contract ratified last August with Michelin/BF Goodrich. In what the USWA hoped to be a pattern settlement for the industry, the union bureaucracy imposed wage cuts of 20% over 5 years, with new employees at Goodrich getting 'substantially' lower pay, increased out-of-pocket medical expenses and limited pension increases to a cost of living allowance (COLA) adjustment.

Goodyear, citing its need to remain competitive against cheaper imports, is demanding work rule changes, production requirements and cost of living formulas that would reduce wages 40% to 50%, even if salaries technically stay the same. Such drastic wage slashing was recently forced on the auto parts workers at Delphi, where wage rates went from \$27 to \$14 per hour. Goodyear is also proposing an increase in employee contributions to health care coverage from 5 percent to 6.5 percent of projected average costs.

The union made a counter proposal, whereby the company would meet its obligation and active workers would contribute some degree of future profit sharing and COLA.

The Canadian locals were not offered any proposals. Last week striking workers from plants in Owen Sound and Collingwood, Ontario picketed Goodyear's Bowmanville, plant, which is not on strike, in an effort to break the isolation of the struggle and expand the walkout.

After permitting two plants to close in the 2003 contract the USWA says it will oppose any further plant closings. However, the supposed "job security" guarantees the union is fighting for are bound up with further cost-cutting to boost the future profitability of

the company.

This corporatist logic of the USWA bureaucracy was clearly spelled out in a recent article in the *Modern Tire Dealer*. “A veteran union officer for 37 years, Craig Hemsley, says Goodyear is proposing to shut down the Tyler, Texas, and Gadsden, Alabama plants. ‘What we want to know is how to keep them competitive vs. closing them down.’ One of the USWA’s ultimate goals transcends the Goodyear contract, according to Hemsley. ‘We’re trying to save the North American tire industry.’ Hemsley also oversees Bridgestone Firestone Akron Local 7. He says the union is ‘awaiting a Goodyear settlement’ before it tackles serious negotiations with Bridgestone Corp.”

The union’s bureaucracy’s demand to “save the North American tire industry” has nothing to do with saving the jobs and living standards of tire workers. On the contrary, the USWA is offering its services as a junior partner of corporate management to cut labor costs and increase productivity of its members in order to win market share at the expense of other transnational tire competitors.

The nationalism of the unions is the greatest obstacle to unifying the more than half million tire workers throughout the world who are employed in one of the most globally-integrated industries. Goodyear operates in 29 countries and has 80,000 workers. The world’s largest tire maker, French-based Michelin-BF Goodrich, employs 125,000 workers worldwide, while Japanese-based Bridgestone/ Firestone has 38 facilities in the US with divisions on every continent employing 110,000.

The response of the USWA and other unions to globalization has been to pit these workforces against one another both nationally and internationally, in a futile race to the economic bottom. The USWA pattern contracts actually encourage demands for more concessions by rival companies seeking to compete against their international rivals.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact