

US auto union tells members to “expect sacrifices” in new contracts

Jerry White
22 January 2007

The United Auto Workers (UAW) bureaucracy has added its voice to the chorus of auto industry executives, analysts and news reporters demanding that American autoworkers accept the elimination of their hard-fought gains in order to “save” the US auto industry.

With negotiations for new four-year labor agreements with General Motors, Ford and Chrysler set to begin over the next several months—with the old contract expiring September 14—UAW officials have publicly stated that UAW members should expect see a rollback in wages, benefits and working conditions long considered untouchable by the auto companies.

On January 16 *Detroit News* ran a banner headline across its front page that read, “UAW: Expect Sacrifice.” The article began, “The message coming down from the United Auto Workers’ top ranks as they prepare for this year’s contract talks is not the hard-line rhetoric of the past. Labor leaders are talking to rank-and-file workers about sacrifice and the need to help Detroit automakers become competitive again.”

Last month, the newspaper says, UAW Vice President Cal Rapson told union leaders from GM plants around the country that “the way we conducted business in the past when General Motors was very profitable, would have to change.” According to a recent note to workers in Warren, Ohio, Rapson “made some comments that if we didn’t change, we wouldn’t survive the future.”

James Kaster, the president of UAW Local 1714 at GM’s Lordstown, Ohio plant factory added, “If we don’t make a profit, we don’t have a plant.” Noting that the local union has a program under way to “educate workers on why GM’s financial success should matter to them,” Kaster insisted, “You can’t just say, ‘Hey we’re going to do things the old way.’ That’s a huge change for us.”

The situation is no different at Ford, which lost \$5.2 billion last year. “It’s very delicate this year,” Jim Stoufer, president of UAW Local 249 at Ford’s plant outside St. Louis, told the *Detroit News*. “Common sense tells you this is going to be rough. We are going to have to play ball with

Ford and keep them competitive.”

Summing up the position of the UAW bureaucracy for the upcoming contract talks, union vice president Bob King said, “We have made a conscious choice to put aside the adversarial approach.”

Open collaboration with the auto bosses is nothing new for the UAW bureaucracy. The union long ago abandoned any “adversarial approach” and as far back as the early 1980s officially adopted the corporatist policy of “labor-management partnership.” Far from fighting to defend jobs and living standards, the UAW has insisted that rank-and-file workers pay for a crisis in the industry that was not of their making, but the result of the actions of millionaire executives and wealthy investors who sacrificed the long-term health of these companies in order to make the most immediate financial gains.

In the last six years, however, the US auto industry, and in particular the two former industrial icons—GM and Ford—have been battered by the increasing competition driven by the crisis of overproduction in the global auto industry and declining profit rates. This year, the Big Three US-based manufacturers are expected to see their control of the US market fall below 50 percent, while Asian manufacturers, such as Toyota, continue to increase production and market share.

The response of the auto manufacturers and the UAW bureaucracy has been a program of job cuts to reduce the size of the companies to correspond to a much smaller market share. Since 2000, GM, Ford and German-owned Chrysler have cut or declared plans to slash 140,000 jobs, or about one third of their entire North American workforce.

With no confidence that the UAW would do anything to defend their jobs, over 86,000 workers from GM, Ford and auto parts maker Delphi have already signed buyout deals to leave the industry.

For years the UAW bureaucracy based the defense of its perks and privileges on maintaining the jobs—and dues income—of an older layer of workers who remained in the plants. The union has now shifted its strategy to

collaborating with the auto companies to clear out this layer of workers who had accumulated higher wages and benefits and replace them with a younger and much more highly exploited workforce who will still be forced to pay membership dues to the union.

The concessions the union has already granted are only a down-payment for further attacks. At Delphi the UAW has accepted the reduction of hourly wages from \$27 to \$14, and at several Chrysler plants the union has allowed the company to hire temporary workers—at \$18 an hour—who could be fired at any time. The companies are expected to demand further rollbacks in wages this year, including the demand for “gain-sharing” provisions that would only provide pay raises when profits and productivity increase.

Last year the UAW accepted mid-contract concessions that for the first time made retired GM and Ford workers responsible for paying a significant part of their healthcare costs, while active workers were forced to subsidize the companies by deferring future wage increases. In order to impose these concessions, worth billions, the UAW prevented retirees from voting on the givebacks and then went to court to prevent the former workers from suing to protect their benefits.

Even before the contract talks begin the UAW is expected to grant Chrysler Corporation similar cutbacks in medical benefits for retirees and active workers.

The *Detroit News* reported that “Leaders at GM have said they will focus on cutting its annual healthcare tab of \$5 billion” and that company President Troy Clarke recently said retiree healthcare was of particular concern. In addition, the companies have made it clear they want to eliminate the so-called Jobs Bank, which compensates laid-off workers for the length of the contract while they remain unemployed.

UAW President Ronald Gettelfinger signaled the union’s willingness to collaborate in further attacks on autoworkers in his report to the UAW constitutional convention in Las Vegas last June. “It’s clear today that our challenges are unlike any we’ve faced in the past, largely due to globalization,” he said, adding, “Like it or not, these challenges aren’t the kind that can be ridden out. They demand farsighted solutions—and we must be an integral part of developing those solutions.”

Speaking to the *World Socialist Web Site*, a Chrysler worker from Detroit described the present conditions in the plants. “The company is building a huge extension between Warren Stamping and Warren Truck. They intend to bring in outside companies to operate inside the plants, which will employ their own workers who are paid much less than us. At the Toledo, Ohio, Jeep plant DaimlerChrysler has 11 separate companies operating inside the plant.”

In mid-February Chrysler is expected to announce its

“restructuring” plan to slash thousands of jobs and at the same time reduce the cost and time needed to produce a vehicle. Last month Chrysler announced the layoff of 250 workers at the Mack Avenue Engine Plant in Detroit.

“We’re are all waiting for February 14, when the company’s restructuring plan will be announced. We expect lots of layoffs and buyout offers,” the Chrysler worker continued. “The union does nothing. The shop stewards get paid for 12 hours a day for sitting in their rooms playing computer games. A lot of workers feel as long as they can keep what they’ve got it’s all right to bring in workers at lower pay. I tell them there aren’t going to be apprentices brought in at \$22 an hour any more—it’ll be \$8 an hour. We are going to be the last autoworkers making \$30 an hour.

“They say the auto industry is failing because we make too much money and too many benefits. That’s not true. We do our job and we’re working harder than ever. We don’t make the decisions on what to build.

“In the 1970s tens of thousands of people worked for these companies. We are down to 30 percent of the workforce since I began to work in the mid-1990s. Chrysler went to the city of Warren to ask for tax abatements, saying they wanted to create jobs. Instead they eliminated tens of thousands of jobs.

“There are people out there stealing food because they are poor. In Detroit kids are starting from behind the minute they are born because of all the cutbacks in the schools. Those who are still working are maxed out. They’ve lost their overtime pay and many are losing their homes. The paper is not reporting it, but I’ve heard of at least three workers who committed suicide because they were so desperate—and they are telling us the economy is fine. Why are we spending billions in Iraq, when these are the conditions at home?

“We’ve lost something every time there is a new contract. We pay \$65 dues a month to the UAW and get no representation.”



To contact the WSWS and the Socialist Equality Party visit:
wsws.org/contact