

# Jim Lawrence, GM worker and 2004 SEP vice presidential candidate, speaks on UAW-GM contract

“Workers can no longer afford this system”

**Our reporter**  
**9 October 2007**

*On September 29, reporters from the World Socialist Web Site interviewed Jim Lawrence, a retired General Motors worker and member of United Auto Workers Local 696 in Dayton, Ohio. Lawrence, a veteran of the 1970 GM strike, is a longtime member of the Socialist Equality Party and its predecessor, the Workers League. He was the SEP's vice presidential candidate in 2004.*

*Lawrence spoke about the significance of the contract reached by the UAW and General Motors. The agreement relieves the company of its legal obligations to provide health benefits for retired workers and establishes a Voluntary Employment Beneficiary Association, or VEBA—a multi-billion-dollar union-run fund to administer health care for retirees.*

*The contract also establishes a two-tier wage system that will slash the wages of new-hires in half, strip them of pension benefits and cut their health benefits. Among other concessions, it provides no wage increases over the four years of its duration and diverts cost-of-living adjustments for all workers to defray GM's health care costs and bolster the UAW's VEBA fund. In addition, it sanctions a series of plant closures.*

## **The UAW-GM contract**

WSWS: What is your reaction to the VEBA program in the contract negotiated by the UAW?

JL: The VEBA program represents an historic betrayal of auto workers. I have not talked to a single auto worker, retired or working, who trusts the UAW with providing for their health care. The question comes down to—How can you trust an organization that has worked with the auto bosses to close plants and increase work loads, while cutting wages? The loss of over 600,000 jobs is proof of the utter uselessness of the UAW, in particular, and of a perspective limited to trade unionism, in general.

The fight is above all a political one, a question of the political independence of working people in order to put forth and support a program that addresses their needs.

The VEBA agreement, like all UAW agreements, has two things in mind—to increase the profits of the auto bosses and to line the pockets of the UAW bureaucracy. I would urge all auto workers to reject this agreement, because not only does this agreement set back auto workers, but it creates the conditions for workers in industries throughout the country and the rest of the world to be pushed backwards.

WSWS: Why has the UAW agreed to the VEBA program?

JL: In order to make up for the loss in its dues income due to the loss of members, the UAW seeks this large cash horde to protect the union bureaucracy's privileges and perks. At the same time, it will make the UAW one of the major financial players in the world, and it will be in its interest to cut workers' benefits further in order to make a profit for the

officials who control the union.

WSWS: I understand that Wall Street supports this program.

JL: That is another indication of whom this plan benefits. General Motors stock went up 9.4 percent in one day just with the news that it had reached this agreement with the UAW. This is incredible, that a union that is supposedly engaged in a struggle against the corporation would actually increase the wealth of the corporation to that extent in one day.

WSWS: Other aspects of this contract include: Part of the cost-of-living adjustment (COLA) will be diverted to the VEBA program and to defray GM health care costs; there is no wage increase; there is a two-tier wage and benefit system. The union is selling the contract with the claim that it will create job security. What do you think of these other aspects of the contract?

JL: I think the diversion of COLA once again represents money into the pocket of the union bureaucracy. At the same time, the two- or three-tier wage system literally ensures that there will be a section of impoverished auto workers, working in the factories, but with their living standard falling lower and lower. This is a continuation of what the UAW has been doing over the last 30 years. They have been taking away benefits that were acquired 60 years ago, and virtually nothing remains of what the people who struggled to build the UAW fought for. This is a betrayal of historic proportions.

When we talk about things like one-half pay for new-hires, the question remains—how many people will be hired when they have been losing thousands and thousands of jobs and closing plants? And if they are hired, it reminds me of the old maxim: “Even slaves have jobs.” That's not good enough.

To deal with the question of no wage increase: Most auto workers know that wages govern the amount for such things as health benefits and overtime. Without a wage increase, you see a tremendous loss over the course of the contract. It is the same thing with the COLA.

WSWS: The UAW claims it has job guarantees.

JL: That is the language of recent UAW contracts, as well as this one. Since the 1980s, the UAW has talked about job security. It told workers at the time that it had negotiated contracts with job guarantees. It even had one contract where the slogan was “Restore and More in 84.” Hundreds of thousands of jobs have been lost since they “restored and more in 84.” These so-called guarantees are contingent upon what? The companies must make a certain amount of profit before they will hire new workers or bring in new work.

There is no such thing as job security under capitalism. You cannot negotiate job security when the number one priority is to make a profit. That is just rhetoric.

WSWS: How will this contract affect you as a retiree?

JL: The VEBA will go to those workers who are not old enough to be on Medicare. Medicare is the primary insurance for workers over 65. GM is the secondary insurance, which pays virtually nothing anyway. I am concerned that this VEBA program, and this assault on retiree health care, is just a step in the direction of a direct assault on pensions themselves. Will GM turn over pension responsibilities to the UAW and give them a hoard of cash? That will be the end of guaranteed pensions, just as guaranteed health care benefits are going out the window. That is a concern I have.

Everything is threatened. What has not been lost is threatened to be lost because of the role of the UAW, which is nothing but an extension of the corporation.

Every worker, unless he or she is part of the bureaucracy or extremely backward, understands what time of day it is with the UAW and all the other unions. He knows that they are not for the workers. I believe the time is ripe for them to be driven out of the labor movement as a whole and for the building of a new leadership based on a program to change society.

### **What is the UAW?**

WSWS: Would you consider the UAW to be a workers' organization?

JL: No, not at all. The UAW is not a workers' organization. It is a business. You have to face the facts. It is a business, and now with the VEBA being transferred to it, it becomes a major player, an investment banker, so to speak. That is what it has become, but it is not a workers' organization. Because workers are contained in the UAW does not make it a workers' organization. These workers are trapped inside that organization, which exists only for the enrichment of the ruling class and the UAW bureaucracy.

The UAW is seeking an alternate source of income, so it does not have to rely on dues coming from the membership. This is related to globalization. It is no longer possible for the UAW to enrich itself off deals with the auto companies in terms of its relation to the production and sale of automobiles. GM now has 24 percent of the market, down from more than 50 percent in the UAW's heyday.

The UAW has a nationalist outlook, pitting worker against worker. Not only nation against nation, but even within the UAW, workers bid for contracts. The local that will give up the most can get a production contract, at the expense of the brothers and sisters in another local. So it is not just a question of pitting worker against worker internationally.

To resolve the problem, what is required is the international unity of workers, something the UAW is totally opposed to, because if that happens there obviously is no place for the UAW bureaucracy—and deservedly so.

WSWS: There is sizeable opposition among workers to this contract. The UAW leadership is obviously worried. What do you suggest that workers do?

JL: I suggest that workers everywhere turn out to reject his agreement, and at the same time begin to set up committees to watch the UAW leadership, to be there when they count the votes, and make preparations for organizing a new leadership that will take workers on a new trajectory.

We might as well face it. The "s" word must come back into the working class, or there is nowhere to go. Society must be reorganized, and it must be reorganized on a socialist basis. There is no other answer. Capitalism has run its course. Workers can no longer afford this system.

WSWS: Can you elaborate on the question of placing this contract within the context of the development of capitalism?

JL: There was a time when American auto companies dominated the world market. And because of their domination of the world market, they made certain concessions to auto workers. As soon as the conditions changed, and globalization came into effect, as nations that were

destroyed by World War II began to build up again, suddenly the UAW's policies changed. Its policies then reflected the need to compete against companies in other countries. That meant the beginning of granting concessions to the auto bosses in America. This contract represents a continuation of that.

General Motors will scour the earth in order to maximize its profits. The unions respond to globalization by trying to negotiate contracts that drive down the living conditions of the working class here in America in order to make the US auto companies more competitive—to make it more attractive for GM, Ford and Chrysler to exploit American labor. This benefits the union bureaucracy since it means more members and more union dues flowing into its coffers.

But concessions alone could not stem the collapse of the US auto companies and the collapse of UAW membership. Even the union-company slush funds set up in the 1980s did not suffice, so the union sought to get its hands on the health care trust to set itself up as a profit-making business.

At the same time, globalization itself has really created the conditions for unifying workers all over the world. We are all being attacked by the same bosses. We have the same problems. But rather than recognize that and attempt to unify us, the UAW, working in defense of American capitalism and its predatory interests, is simply trying to divide us even to a greater extent than it has in the past. So this contract represents an assault on the working class throughout the entire world, not just against auto workers in America.

### **The 1970 GM strike and the lessons of history**

WSWS: You were involved in the 1970 GM strike. What was your experience in that strike?

JL: I thought that strike was very important because we raised the strike to get "30 and out" [guaranteed retirement and benefits after 30 years of work]. This was something that every auto worker wanted to get. Because of the horrific conditions in the plant, you wanted to believe you could get out of there while you still had your health and could have a decent life after that. But of course, this VEBA agreement undercuts all of that.

That was three months, out in the cold, to fight for something that actually benefited the entire working class, in that things like COLA and retirement programs became commonplace for people throughout the country. That was the importance of these struggles—they were for everyone, not just auto workers. The UAW set the pattern, just as they are setting the pattern in the opposite direction today.

WSWS: What was the outlook of workers in that period, in terms of the struggle against the company?

JL: In the '60s and '70s, auto workers saw themselves as part of a class. It was part of a struggle that was taking place not only here in the United States, but throughout the world. We just had the May-June strike in France. The struggle was going on against the Vietnam War; there was the civil rights struggle. The UAW even spoke out against the Vietnam War. Could you imagine something like that happening today? They supported the struggle of black workers for civil rights. Now look at the attitude they have to undocumented immigrant workers. This shows you how far the UAW has degenerated.

As incredible as it may sound today, most workers actually thought the unions were workers' organizations that were willing to defend them. This is something that you won't find today.

WSWS: In 1970 there was a postal strike and a whole number of struggles throughout the working class. There was ferment of struggle.

JL: It was a reflection of the fact that the system of capitalism was in a crisis. All over the world, workers were engaged in struggle. Maybe not a conscious struggle against the system itself, but they were engaged in a struggle, and everyone was caught up in that struggle. Each struggle lent strength to the next struggle.

Those struggles ended up being betrayed, because there was not a mass movement to create the political independence of the working class—in America, to break from the Democratic Party, and in other parts of the world to break from the social democratic and Stalinist parties. That was the weakness of the movement, and that is why we are where we are today, because the working class at that point did not have the kind of leadership that could take them down the road they needed to go.

WSWS: There are those—for example, the group Soldiers for Solidarity—who say that we need to revive the militant traditions of the union and place pressure on Gettelfinger and company not to give in.

JL: That is a failed policy already. Soldiers of Solidarity is essentially a left cover for the union bureaucracy. Many of its members are ex-union bureaucrats who may have lost their positions and want to recapture their posts within the union.

The problem is not so much that there are bad people inside the UAW. It is the whole concept of trade unionism and nationalism that has failed and is no longer viable, and actually never was in the first place. It is not about starting up a new union that is going to be more militant. Any union will do what? It will negotiate the terms of wage slavery. As soon as the corporation says, “I can’t afford this or I am going to lock the door,” the union will cave in. The problem is trade unionism itself, not so much the individual leaders.

WSWS: Why did you join the socialist movement?

JL: During the course of our strike in 1970, there were people outside distributing pamphlets. The group was the Workers League, predecessor of the Socialist Equality Party. In one pamphlet they were discussing UAW support for the Democratic Party, and the fact that George Wallace, the segregationist governor of the state of Alabama, was a member of the Democratic Party and was getting a significant number of votes in the primary election in Michigan, the home of the UAW. He won the Michigan primary. As a black auto worker, I am thinking, “How can our organization support a party that has such a man as Wallace inside of it?”

These people from the Workers League talked about the building of a labor party, an independent political party of the working class based on the trade unions. Being a supporter at that time of the unions, I thought this was great. Finally we will be able to fight for power for ourselves. We won’t have to beg General Motors, we won’t have to beg the Democrats, we won’t have to beg the Republicans. We can begin a fight for ourselves and get the things we need. So that is why we joined. As I later found out, at the time, there was a strong possibility of a labor party based on the unions. As the unions continued to degenerate, it was obvious that we would not want a party based upon them.

This contract is an indication that workers must prepare to wage an all out political struggle to reorganize society along democratic and egalitarian ways. That is the only answer.

There have been a million Iraqis killed. Thousands of American youth killed, tens of thousands wounded, all in an illegal war of aggression, a criminal act. Just as the UAW has not spoken out against the attacks by General Motors on its membership, it has not spoken out against the egregious wars being waged against Iraq and Afghanistan, and it will not speak out against the war that is being prepared against Iran.

The working class lacks the political means to stop these things. Without political power, there is no possible way to change this course of action.

Auto workers have the know-how, the technology, to produce excellent cars that cost less, and at the same time provide a high standard of living for auto workers throughout the world. But this cannot be achieved within a framework of production for profit. We must produce things on the basis of need, not profit.

As the drums of war begin to beat more and more, one thing is for sure: only the international unity of the working class can prevent these conflicts from breaking out. This requires a new party to represent the working class, and I happen to believe it is the Socialist Equality Party.



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