US auto workers vote on contract betrayal at Ford

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As it did in the previous contracts at General Motors and Chrysler, the United Auto Workers is once again seeking to batter down rank-and-file opposition and impose an agreement at Ford Motor Co. that will drastically undermine the conditions of auto workers. Ford workers began to vote on the contract Thursday, with UAW officials saying they hoped to wrap up ratification in less than a week.

At GM the UAW called a two-day strike before announcing a deal. At Chrysler, the union reached an agreement after a six-hour strike. At Ford, the UAW did not even bother to make a pretense of opposition before coming back with a contract that goes even further in cutting jobs and wages.

Under the terms of the agreement, at least a dozen plants will be closed. Another 14,000 workers will be offered buy-outs and early retirement packages, in addition to 33,000 workers who left the company over the last two years. It is widely expected that Ford will announce further job cuts after the agreement is signed, just as GM and Chrysler did.

As with GM and Chrysler, the linchpin of the Ford agreement is a two-tier wage system that will cut the pay of future workers in half—from $28.75 to $14.20. While the union claims it will limit "entry-level wages" to 20 percent of Ford's workforce, it is clear that both the company and union are working to rid the Ford of its higher-paid veteran workers and replace them with a work force of lower-paid workers.

Entire facilities, such as Rawsonville stamping and Sterling Axle in Detroit's suburbs, will be exclusively low-wage plants. Local unions will bid against each other to sign "competitive operating agreements" that will expand the use of "entry-level" workers and low-paid temporary and part-time employees.

On Monday, this betrayal received unanimous support from the union's Ford local presidents and plant chairmen at a meeting in Dearborn, Michigan. In the face of mass discontent among Ford workers—and just days after a similar deal was nearly rejected by Chrysler workers—the local officials hailed the agreement and gave UAW President Ron Gettelfinger and other top negotiators repeated standing ovations.

Kell Quantz, vice president of UAW Local 900 at the Wayne Stamping and Assembly Plant outside of Detroit, told *Bloomberg News* that union delegates were happy with the agreement. "We won't have any problem getting this ratified," he said.

Even the president of Local 882 in Altanta—which lost 2,000 members when Ford shut down its assembly plant in the city last year, praised the agreement. "Given the state of the industry, I'm thinking we did the best we could," Samuel Stephens told the *Detroit News*.

He added, "The job commitments will go a long way. We know we have to start making profits again in North America and from this we can say we are really doing our part."

"It's a beautiful contract. They saved a lot of plants," said Judge Kennard of UAW Local 900 at the Wayne Assembly plant.

Such brazen lies are the way the UAW does business. The 28-page booklet being passed out to Ford workers for the ratification vote is headlined, "UAW Ford Bargainers Preserve Jobs, Protect Wages and Benefits."

The UAW officials in no way feel accountable to the members they claim to represent. Their positions and perks do not depend on the conditions of their members, but on their incestuous relations with management and their success in suppressing any resistance to the corporation's dictates.

The quid pro quo for sacrificing the jobs and living standards of auto workers in this contract is a multi-billion-dollar retiree health care benefit trust fund controlled by the UAW. The fund—known as a voluntary employees' beneficiary association, or VEBA—will be partially funded by Ford, which in turn will be relieved of its obligation to provide medical coverage to 125,000 retired workers and their surviving spouses.

UAW President Gettelfinger and other top union officials have been intent on setting up a VEBA with Detroit's Big Three auto companies at least since 2005. The union bureaucracy sees in the scheme a guaranteed income flow and a means of insulating itself from the disastrous consequences of its policies for auto workers. For years, the UAW has sought to find other sources of income to replace lost dues revenues, with union membership declining by two-thirds since 1979.

The VEBA plan emerged from years of discussions between the UAW and Lazard, a top Wall Street asset management firm. They devised a plan to leverage the money owed by the companies to retirees into a private investment fund that would guarantee huge returns for the UAW and its top officials. The

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combined value of the trusts set up with GM, Chrysler and Ford will be about $70 billion, making it one of the biggest private investment funds in the US.

A substantial portion of the VEBA at Ford is being financed with shares of the company stock. As the *Wall Street Journal* noted, this will "make the union Ford's largest shareholder, with a stake that if converted could be at least four times that of the Ford family's."

As a corporate entity, the UAW will have a direct financial incentive to reduce benefits to retirees, while increasing the exploitation of its members in the factories in order to push up Ford's share values. Some portion of this income no doubt would flow down to local officials and appointees who are on the UAW gravy train.

There is another factor in the effusive praise for the contract by the entire UAW apparatus. To a man, the leading personnel in the UAW are career functionaries who never led a struggle and are incapable of expressing even in the most distorted way the interests of the working class.

The officials rose to prominence in the UAW long after the consolidation of a pro-capitalist bureaucracy that purged the socialists and other left-wing militants who built the UAW in the mass struggles of the 1930s. They were trained in the corporatist outlook of labor-management "partnership" and flag-waving nationalism that has dominated the UAW.

A biographical sketch of Gettelfinger himself makes this clear. "It was never Gettelfinger's intention to become an auto worker," the *Detroit News* wrote in 2002, when he took over the union. After dropping out of Indiana University in 1964, he went to work at the Ford plant in Louisville. "If he couldn't avoid the shop floor," the *News* wrote, "he would use it to catapult himself to better things."

While taking business courses at night, Gettelfinger got involved with "UAW local politics," according to the newspaper, and in 1978 became bargaining chairman at the plant, enabling him to get off the assembly line.

The workers at the Louisville plant had a reputation for militancy and resistance to speedup. Because of this, Ford decided to shut the plant in 1979.

Gettelfinger and Local 862 President Owen Hammons went to work to blackmail their members into accepting management's demands. Hammons, who is described as Gettelfinger's union "mentor," denounced the Louisville workers, writing, "No one wants to do more today than they did yesterday even if before, for four hours, they didn't do a thing. I mean, that's not what a union is about. It really isn't."

Gettelfinger and the hundreds of high-paid union officials below him have set out to crush the resistance of workers to the historic betrayal represented by the Big Three contracts. While they have earned the justified hatred of thousands of auto workers, they have won nothing but praised from Detroit's auto bosses and the news media. *Detroit News* columnist Daniel Howes recently hailed Gettelfinger for his "courage to see the competitive world as it is, not as old union hands wish it still was."

Howes went on to say that it was the union that took the initiative in the proposals that would supposedly revive Detroit's auto industry. "It was the UAW, backed by the financial savvy of Lazard, that pushed the concept of off-loading billions in retiree health care liabilities," Howes wrote. "It was the UAW... that agreed to various forms of a lower 'second-tier' wage... It was the UAW that proposed Ford exchange a portion of its cash contribution to the VEBA for a larger convertible note and then invest the difference in plants, new equipment and flexible body shops," he gushed.

The *Detroit News* columnist concluded, "And as much as these deals could transform GM, Ford and Chrysler, they are also likely to transform the union and its image from a graying bulwark against change into a younger, solutions-oriented union primed to reverse its decline."

Indeed, the UAW is out to reverse its long-term decline. But this has nothing to do with the defense of workers' jobs and living standards. The UAW is redefining itself as a corporate entity, which will enforce the most brutal conditions in the factories, while becoming, in the words of the *Wall Street Journal*, "a major financial player."

There is no way workers can fight to defend their jobs and living standards while they are trapped inside such an organization. The prerequisite for any such struggle is to break free from the UAW and organize a fight independently of it.

The creation of a genuine movement to defend the working class requires a rejection of the reactionary politics that have produced this catastrophe. First of all, workers must reject the pro-capitalist politics of the UAW and revive the powerful socialist traditions of the American working class.

Workers must break from the two political parties of big business and war—the Democrats and Republicans—and build a political movement that sets as its aim not the reform of the profit system, but the reorganization of economic life to meet the needs of working people.

The national chauvinism of the UAW must be rejected. The fight to defend auto workers' jobs and living standards is an international fight, which requires the unity of auto workers in the US, Canada, Latin America, Europe and Asia in a common struggle against the global auto giants.

The struggle for this perspective above all requires the building of a new political leadership in the working class, the Socialist Equality Party. We call on workers who are looking for a way forward to study our program and make the decision to join and build our party.

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