

# US auto workers denounce UAW betrayal at Ford

“The union is so intertwined with the company they are giving away the whole store”

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Ford workers reacted with disgust and anger Monday as they learned further details about the four-year labor agreement that the United Auto Workers union reached with Ford Motor Company over the weekend. The new contract covers 54,000 workers employed by the second largest US automaker.

The concessions go even further than the historic rollbacks granted to General Motors and Chrysler. The contract will allow Ford to accelerate its plans to eliminate tens of thousands of jobs and replace higher-paid workers with a smaller, more brutally exploited workforce, making half the wages.

Local UAW presidents and shop chairmen unanimously supported the tentative agreement at a meeting in Dearborn, Michigan on Monday. The vote—in the face of widespread opposition from the rank and file—demonstrates that the entire union apparatus is hostile to the interests of auto workers and cannot, even in a distorted form, express their needs.

In the aftermath of the near defeat of the Chrysler deal, the UAW is moving towards a quick ratification vote, hoping to steamroll opposition. UAW spokesman Roger Kerson said the union hopes to have members ratify the deal by November 15—that is, within 10 days.

Underscoring the cynicism of the whole process, the *Detroit News* reported, “Ford is eager to see the ratification process begin before Thursday, when it will release third-quarter earnings, which are expected to be better than previously anticipated.” The company is worried that an “upbeat earnings” report could “undermine the perception among US workers that concessions like those in the new agreement are vital to Ford’s future.”

In exchange for sacrificing the jobs, wages and benefits of auto workers, the UAW will gain control of a multibillion-dollar trust fund for retiree health-care benefits. Ford will

contribute an even smaller amount to the fund than GM and Chrysler—only \$13.2 billion out of the \$22 billion it owes in long-term medical liabilities to 125,000 retirees and surviving spouses.

In possession of one of the largest private investment funds in the US, the UAW will be transformed into a profit-making business. At the same time it will be responsible for cutting retiree benefits to make up any shortfalls in the fund, known as a voluntary employees’ benefit association or VEBA.

In addition, much of the VEBA will be financed through Ford stock. According to the *Wall Street Journal*, the union will control a 16 to 17 percent stake in the company, making it one of Ford’s largest shareholders. As a major investor in Ford, the UAW will have a direct financial incentive in driving down the wages and living standards of its own members in order to boost the share value of the company.

At Ford, the UAW dispensed with the pretense that only newly hired “non-core” workers—i.e., material handlers, maintenance and other non-assembly line employees—will be paid \$14 an hour instead of the \$28.75 that current workers receive. According to the *News*, “Ford and the UAW agreed that 20 percent of the automaker’s hourly work force would be second-tier workers—meaning, effectively, that virtually all new hires, no matter what their job, would be paid the lower wage-and-benefit package until the 20 percent cap is reached.”

In order to make way for these low-paid workers, who will also receive substandard health-care benefits and no employer-paid pensions or retiree medical coverage, the union will collaborate with Ford to remove 10,000 to 14,000 higher paid veteran workers through buyouts and early retirement packages. This is on top of a previous effort that reduced the hourly workforce by 33,000 over the last two years.

Although the union claims to have won “unprecedented job commitments,” the union agreed to the shutdown of at least 10 factories, already targeted under Ford’s “The Way Forward” restructuring plan, including plants in St. Louis, Atlanta, Batavia, Ohio and Windsor, Ontario. The contract lists the closing of two other plants not previously mentioned—the Twin Cities Assembly plant in St. Paul, Minnesota and Cleveland Casting.

The union claims it won a moratorium on additional plant closings, but this is contingent on “market conditions” and the company is free to eliminate shifts and reduce staffing. Those plants previously targeted for closure, which the UAW says it saved—in Chicago, Cleveland and suburban Detroit—can be closed as soon as the contract expires in 2011.

UAW Vice President Bob King will get a seat on Ford’s Manufacturing Operating Committee, where he will assist the company in forcing union locals into a bidding war over which will accept greater concessionary “Competitive Operating Agreements” to keep their plants open.

The UAW also agreed to stiffer rules for the UAW-Ford “jobs bank,” which pays laid off workers until additional work can be found. Should the contract be ratified, the *Detroit News* reported, workers would be limited to one year in the jobs bank and be given only one opportunity, not two, to take a new job, no matter how far they are forced to relocate.

A WSWs reporting team spoke to autoworkers at Ford’s Dearborn Truck Plant Monday about the agreement and distributed a statement opposing the deal. (See, “Vote ‘no’ on UAW betrayal at Ford! Elect rank-and-file committees for contract fight!”) There was widespread opposition to the sellout agreement and the treachery of the UAW, with one worker saying new hires would be compelled to work under conditions equivalent to “slavery.” One worker said, “UAW is selling us out again,” and another added “The UAW has been betraying us for years.”

Kari, a Ford worker, said, “I don’t know very much about the contract yet, but what I do know, I don’t like. We have taken enough cuts already, we don’t need to take anymore.”

In discussing the proposal by Ford that all new hires will begin at \$14 an hour, Kari reacted sharply, “They’re not giving us enough to live on as it is. My sister makes under \$9 an hour and she can’t live on that; what are people supposed to do at \$12 or \$14 an hour? There’s not much difference between the two. It’s not very good, is it?”

Janice, with 16 years at Ford Truck, said, “I feel very strongly that everyone should have equal pay. They haven’t given us very much information about the contract, but I can’t see having people working beside each other—one making \$14 an hour and the other making \$28 an hour.”

Commenting on the fact that Chrysler had announced 12,000 job cuts, just days after the UAW pushed through a contract, which it claimed contained, “job security,” a worker with 29 years seniority, said, “The UAW knew about the layoffs. You don’t drop a bomb like that and the union doesn’t know it’s coming. The union has become a big business. It’s like you’re working for two companies and it costs you \$700 a year in union dues to lose all your stuff. The union is so intertwined with the company that they are giving away the whole store.”

Another worker with 13 years seniority said that these lower-paid workers would soon outnumber the “traditional” workers, and that in future contracts they could be persuaded to vote to reduce the benefits of older workers and retirees.

Pointing to the fact that the UAW would be the largest Ford shareholder, the worker asked, “Isn’t that a conflict of interest when they are supposed to be negotiating for us? The less we make, the more they are going to make on Wall Street.”

He said the plants the union supposedly saved under this four-year agreement were going to be kept open for a few years anyway according to the company’s restructuring plan. “Anyway,” he added, the so-called job commitments were worthless because, “all future employment is going to depend on market share and demand.”

He added, the “problems Ford is having are not because of the wages of workers.” These were political problems, he said, but the “UAW is always tied to the Democrats—and what have they done for the workers over all these years?”

He concluded that workers in the US could only secure their jobs if workers in China “liberated” themselves from the low-wages and slave-like conditions they faced and workers combined to fight for better wages internationally. “If corporate America can go global, why shouldn’t the workers?”



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