

US auto union offering major contract concessions

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The *Detroit Free Press* reported Friday that the United Auto Workers union (UAW) is secretly negotiating with the Big Three US automakers to revise current contracts in accordance with demands from both Democratic and Republican leaders that major concessions be imposed on auto workers in return for any government loan to avert bankruptcy by one or more of the companies.

The *Free Press* said that the UAW was offering to end the jobs bank program that allows laid-off union workers to receive 95 percent of their wages and benefits, and is considering other concessions.

"The UAW is negotiating the possible elimination of its controversial jobs bank and is considering other concessions to help Detroit's automakers win low-cost loans from Congress, people familiar with negotiations said late Thursday," the newspaper reported. The *Free Press* indicated that local union officials were unaware of such talks.

That the UAW is working behind the backs of its members to impose a new round of give-backs to the auto companies should come as no surprise to those who follow the actions and policies of the union bureaucracy. The *World Socialist Web Site* has stated from the outset of the effort by General Motors, Ford and Chrysler to obtain emergency funding from the government that the collapse in auto sales and profits would be used to slash wages and jobs and gut pensions and health benefits for both active and retired workers, and that the UAW would agree to whatever concessions were demanded to protect the interests of the union bureaucracy.

The jobs bank program has become a particular target of the media and politicians of both parties, who are doing the bidding of the US ruling class by seizing on the crisis of the auto companies as a welcome opportunity to destroy the gains achieved by auto workers over decades of struggle. That auto workers should enjoy a measure of economic security, under conditions of wave after wave of layoffs and plant closures, provokes indignation among those who have demanded and

voted for hundreds of billions of dollars in taxpayer money to bail out Wall Street billionaires.

The elimination of the jobs bank will result in the impoverishment of tens of thousands of auto workers whose jobs will be wiped out as part of an imminent and drastic downsizing of the Big Three companies, whether it takes place under the auspices of bankruptcy courts or as a condition of an eventual government bailout package. As with the Chrysler bailout of 1979-80, but on a broader and more brutal scale, the assault on auto workers' jobs and conditions will spearhead an attack on workers in every part of the country and every sector of the economy.

Ending the jobs bank is merely a down payment on concessions aimed at achieving the long-sought goal of the auto bosses and Wall Street of eliminating so-called "legacy costs"—that is, the companies' obligations to fund pensions and health benefits for retired workers and their dependants, of which there are about one million at the Big Three.

The attack on auto workers is bipartisan. On Thursday, following two days of congressional hearings at which politicians of both parties berated the Big Three CEOs and UAW President Ronald Gettelfinger, the top Democratic leadership blocked an effort by senators of both parties from states with Big Three plants to bring a compromise measure to a vote that would have handed over \$25 billion to the companies in low-cost loans. House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid, flanked by the chairmen of the House and Senate banking committees, instead demanded that the auto companies submit restructuring plans by December 2, after which new hearings would be held and Congress would consider a bailout measure the following week.

Insisting that the companies have to prove their "accountability and viability," Pelosi said, "Until they show us the plan, we cannot show them the money." That these are code words for massive attacks on the workers was confirmed on Friday, when Pelosi told a press conference, "Everybody has to participate in ensuring the viability of the auto industry." In a

separate interview with the *Detroit News*, Pelosi said legacy costs would have to be "dealt with" as part of such a plan.

The incoming Obama administration is backing these demands. The Democratic president-elect has echoed the calls for union concessions and the downsizing of the Big Three to ensure "viability."

The torrent of media commentary demanding the destruction of auto workers' wages and benefits continued Friday. An indication of what Congress will demand and the UAW is preparing to accept was provided by former *Wall Street Journal* Detroit bureau chief Paul Ingrassia, an advocate of forcing the companies into bankruptcy.

Ingrassia wrote in Friday's *Journal*: "Detroit's car companies point, correctly, to the cost cuts, labor concessions and other stringent measures that they've enacted in recent years. Ron Gettelfinger, the president of the United Auto Workers union, got his members to accept two-tier wages and big concessions on the health-care and retirement plans. Nonetheless, far too many valid contractual claims remain on the car companies' revenue streams... The companies remain saddled with cumbersome contracts with the UAW that make work rules and plant procedures a constant challenge. A bankruptcy trustee or receiver could cut through all this quickly and give the companies a fresh start."

Reuters carried an article stating, "A political dilemma for lawmakers is that the cost will be high in terms of lost jobs and benefits under the kind of sweeping restructuring needed to ensure the viability of the automakers, analysts said." It quoted a consultant at Crowe Horwath as saying the path to viability "basically is going to be firing their constituents and cutting back the retiree benefits their constituents rely on."

The same article cited an analyst at Deutsche Bank as saying a "successful restructuring" of GM will mean "shrinking to a defensible core" by cutting weaker models, closing factories and imposing lower wages on UAW workers.

Throughout the current crisis, the role of the UAW has underscored its transformation into an appendage of the auto companies. Gettelfinger has tagged along behind the Big Three CEOs, pleading their case for a government handout and making a virtue of the wage and benefit cuts the union has helped impose on UAW members.

In a column published in the November 14 *Washington Post*, he boasted that the contract signed by the union in 2007 had erased the labor cost differential between union and non-union auto workers. Testifying alongside the Big Three CEOs before the Senate Banking Committee on Tuesday, he said, "Between

2005 and 2008 we have lost 47,000 workers at GM and we have virtually eliminated our jobs banks at all three companies. We had to take the political heat for these kinds of decisions, but as a union leadership we are proud to work with these companies."

The prostration and complicity of the UAW are a testament to the utter failure of so-called labor organizations that base themselves on the defense of American capitalism and opposition to socialist policies, the promotion of economic nationalism, and hostility to a political break with the parties of the US corporate elite.

Auto workers bear no responsibility for the collapse of the auto companies. Their labor, and that of generations that went before them, built the industry and created the vast wealth that was monopolized and squandered by the corporate heads and the American financial elite.

They should oppose the bailout schemes being worked out between Obama, the Bush administration, the Democratic Congress and the UAW and prepare for mass strike action to defend their jobs and living standards. This should become the starting point for a political struggle to mobilize the entire working class against Wall Street and both of its parties and to fight for a socialist policy based on the nationalization of the auto industry and its transfer to public ownership under the democratic control of the working population.

The great traditions that inspired the sit-down strikes of the 1930s, in which workers affiliated with socialist and revolutionary organizations played a decisive role, must be revived and new organizations of struggle built. Above all, this means joining the Socialist Equality Party and building it as the mass political party of the working class.



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