

UAW pledges to impose further job losses and concessions on auto workers

Joe Kishore
2 December 2008

United Auto Workers president Ron Gettelfinger gave his most open pledge yet Sunday that the union would work to impose further sharp concessions on US auto workers.

Speaking to CNN's Wolf Blitzer on "Late Edition," Gettelfinger said the union is "prepared to go back to the bargaining table" and reopen the four-year labor agreements signed in 2007.

The UAW president's remarks came as Detroit's Big Three automakers were readying proposals to present to Congress on Tuesday that will include outlines for further downsizing and cost-cutting in the attempt to return the companies to profitability. According to a report in the *New York Times* Monday, these plans include a "significant shrinking" of GM's North American operations, including shutting more factories, eliminating brands and delaying or reneging on billions the company pledged to pay into a newly-established union-controlled fund for retiree health care benefits.

Both Democrats and Republicans have demanded concessions in return for any government loan to avert bankruptcy. The UAW bureaucracy completely accepts the consensus of the American political and media establishment, and is working behind the backs of its membership to negotiate cuts.

The contracts signed by the union last year imposed historic concessions on auto workers, including a fifty percent cut in wages for new-hires and so-called non-assembly workers, and the ending of employer-paid retiree health care benefits. But this was considered inadequate by the most powerful financial and political interests, which are using the crisis in the auto industry to destroy the conditions of auto workers and set a precedent for an attack on the entire working class.

In questioning Gettelfinger, Blitzer relied on the

statements of prominent Democrats, including President-Elect Barack Obama, demanding "change" in the auto industry. He cited Obama's statement, "We can't just write a blank check to the auto industry. Taxpayers can't be expected to pony up more money for an auto industry that has been resistant to change."

Blitzer also cited a joint statement from House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid demanding that the auto companies present a plan for "long-term viability" and "a restructuring in the industry" in return for a loan.

In response, Gettelfinger pointed to the major concessions the union has already accepted in its 2005 and 2007 contracts. He made clear that the UAW would consider additional concessions, but asked for company management to accept nominal cuts as well. "We need the board members, the management, the suppliers, the dealers, the creditors and the equity holders to all come at the table to make sure that one group doesn't have to accept all the sacrifice." The UAW bureaucracy hopes such bogus claims of "equal sacrifice" will help it sell concessions to a skeptical and largely hostile membership.

Gettelfinger's pledge to "go back to the table" comes only one year after bitter contract disputes that pitted auto workers against the companies and the UAW. The contracts with GM, Ford and Chrysler included new two-tier wage and benefit structures that included starting pay for new workers of \$14 an hour.

In exchange for pushing through concessions, the union secured control of a multi-billion dollar retiree health-care trust—a voluntary employees' beneficiary association (VEBA)—to which auto companies pledged to contribute less than half of their health-care liabilities.

Gettelfinger did not go into any details on his

discussion with the Big Three management, but media reports have reported the jobs bank—which subsidizes laid off workers for a period of time—will be eliminated. An article in the *Wall Street Journal* on Monday ("Big Three Discuss Ending Idle-Workers Plan" by Matthew Dolan), reported, "The United Auto Workers union is in talks with some of Detroit's Big Three auto makers to stop a program that pays idled workers, people familiar with the matter said."

Earlier concessions have already substantially reduced the number of workers receiving benefits through the jobs bank. "The size of the revamped program ... has dropped to about 3,000 hourly employees" according to the Big Three. "That's down from 15,000 workers just two years ago, a trend largely driven by time restrictions put in place as part of current union contracts."

The elimination of the jobs bank is largely symbolic, however, and is seen as a down-payment from the union for far more sweeping concessions. The newspaper continued, "UAW officials, including its president Ron Gettelfinger, are said to understand that they are under pressure to deliver cost concessions. Mr. Gettelfinger 'understands the UAW is part of the solution here,' a person close to the UAW president said. 'He doesn't want to be characterized as the problem.'"

GM may also seek to alter the funding schedule for the VEBA program, which would threaten the health care benefits for hundreds of thousands of retirees and their dependents. Earlier this year, the union agreed to GM deferring a payment of \$1.7 billion. Another payment of \$4 billion is due in December 2009 and GM is reportedly seeking another delay.

As the number of unionized workers has declined—and with it the dues base of the UAW—the union bureaucracy sought out the VEBA as a new source of income. The VEBA is set to take over funding of retiree health benefits in 2010. If auto company funding for the VEBA is delayed or cut back, it will fall on the union to impose further cuts on retirees, or eliminate some benefits altogether.

The Big Three, including General Motors, are still considering bankruptcy as a possible option if a government loan is not secured. GM CEO Richard Wagoner is said to be opposed to the option, but according to a *Wall Street Journal* article on Monday

("GM and Board Race to Craft Convincing Viability Plan" by John Stoll), individuals on the board of directors are actively considering the possibility.

"'Everything is on the table,' according to one person familiar with the board's thinking," the newspaper reported. "Following Mr. Wagoner's poor performance in Washington last month, the board began meeting more and taking more seriously its obligation to investigate other options," including Chapter 11 and the replacement of Wagoner.

Bankruptcy will mean concessions for auto workers as well, but in a different form. Existing contracts would be ripped up and concessions imposed by a bankruptcy judge.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact