

General Motors workers speak out against pay cuts

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The Obama administration's Presidential Task Force on the Auto Industry met for the first time Friday morning. Headed by US Treasury Secretary Timothy Geithner and White House economic advisor Lawrence Summers, the task force is set to examine plans submitted by General Motors and Chrysler to cut wages and jobs to restore company "viability."

The Obama administration is demanding that the auto companies carry out major restructuring in exchange for loans that would stave off bankruptcy. Earlier this week, GM and Chrysler asked for another \$21 billion in government financing in addition to \$17.4 billion approved last year.

Meanwhile, the United Auto Workers union continued negotiations with the automakers Friday to work out the details of a new round of concessions from the workers.

General Motors laid out a plan on Tuesday to cut 47,000 jobs out of its global workforce, nearly half of which would be in the United States. Far from opposing more concessions, the union has already agreed to a plan to reduce hourly wages and benefits. However, the UAW has been wrangling with the auto companies over a proposal to use almost worthless company stock to fund the union-controlled retiree health care fund, or Voluntary Employee Beneficiary Association (VEBA).

The Obama administration has appointed Ron Bloom, a former investment banker who helped the UAW set up the VEBA, as a senior advisor to the task force. The administration will work with the union to try to reach

agreement on a proposal that will place the burden of the crisis in the auto industry on the backs of the working class.

In a statement released following the task force meeting, which was closed to the press, Geithner and Summers said that the industry needed a "fundamental restructuring." Among the issues discussed by the panel, the statement said, were "improving competitiveness of wage and benefit structures"—i.e., more concessions from the auto workers.

If a final agreement is not reached by March 31, the Obama administration is maintaining a threat to withdraw existing loans and throw the companies into bankruptcy, where a judge would impose the concessions.

A WSWs reporting team went to the GM assembly plant in Pontiac, Michigan to hear what workers had to say about the plan. The Pontiac plant currently employs 700 workers, down from several thousand at its peak.

Don Pascoe, who has worked for GM for 31 years, said he had talked to other reporters over the past week, and assumed that people walking around factory parking lots with cameras were in the business of making autoworkers look bad. "It's not a bailout, it's a loan," was the first thing he said, taking the defensive. He defended auto workers' pay and benefits. The news media has been doing all it can to portray the workers as rich, lazy and overpaid, he said.

"The reporters have been saying that we need to take pay cuts. I've got news for them—\$50,000 a year is not a lot of money. And if I lose that, I'll lose my house."

When asked whether he had heard anything about the ongoing negotiations from the union, Don responded the same way as every autoworker: “All I know is what I see on the news.” He continued, “Supposedly the workers are the union, but the union doesn’t tell us anything. We have no idea what’s going on.”

“This isn’t my grandfather’s union, that’s for sure; it isn’t even my father’s union. They’re all about making money now; the workers don’t decide anything. We’re not told anything. My grandfather was a sit-down striker in Flint, but the things he fought for are gone. We need to fight back, like we did in the 30s.”

“Of course, the union is working out the VEBA first,” he said. “They want to get their money. They look after theirs. I haven’t seen any union leaders taking pay cuts.” As the UAW converts the Big Three’s pension obligations into the VEBA fund, the UAW will effectively become a business, providing the bureaucracy with an independent source of income as the workers have been pushed to accept concession after concession.

“We don’t have any power in the union, we don’t have any say,” Don said. “What can we do about the situation we’re in? Vote? I voted for Obama and now he’s gone back on his campaign promises. Workers don’t have any power. We’ve got no say in the unions and we’ve got no say in politics.”

Tim Tower, a writer for the WSWS, replied, “That’s the problem. We need to build factory committees, we need new ways of fighting, because the union isn’t going to fight. And most of all we need a political party of the working class.”

“Well, I can see that,” Don responded. “I voted for Obama because he said he was going to help the workers. But he’s gone back on all that. He’s just like the rest of the politicians. They’ll do anything to get elected.”

Many autoworkers said they felt betrayed by the Obama administration. They expressed bitterness at the conditions being imposed on the workers. The unions

have consigned them to poverty wages, and the Democratic party has given them nothing. The billionaires are getting bailouts, and the workers are being told to take more pay and job cuts.

“My cousin is a worker at American Axle,” Don said. “He had to take a fifty percent pay cut. And now that’s what they’re trying to do to the whole auto industry. And for what? A loan? And all the while Wall Street is getting trillions of dollars handed to it. The finance CEOs are buying \$85,000 rugs. These are people who can spend in five minutes what one of us earns in a year. How do you even spend a million dollars? I wouldn’t know what to do with all that money.”

“The next generation won’t be able to live like we did,” said one worker as she took a leaflet, passing by. “They won’t be able to afford college for their kids, they’ll never own their own homes. And I don’t know what to do about it.”

“The banks aren’t being asked for a dime. They don’t have to pay for anything. And they’re getting billions from the government for free. We’re told we have to give up half our livelihood, have to lose our houses and move out of our neighborhoods.”

Asked about Obama, Tina replied, “He got elected because he talked about change. But where is it? Is it closing factories? Is that the change he was talking about? The strings attached to the bailout are just attempts to smash the union, to set the autoworkers back. We have to fight back. If we have anything to give up, decent wages and benefits, it’s because our predecessors fought for them.”



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