New York: Magna auto parts workers reject cutbacks in face of shutdown threat

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For the second time in as many months, the members of UAW Local 624 have rejected a proposed deal with the management of their plant in DeWitt, just outside of Syracuse, New York. Magna, based in Canada, is a major auto parts supplier, second only to Delphi. The DeWitt plant manufactures four-wheel drive transfer cases.

In January, the company had proposed drastic cuts in wages and had made continued operation of the plant conditional on a "return to profitability" by July. The terms were draconian. If the plant was judged profitable, wages would remain at the current $20.16 per hour, already down from more than $29 an hour only two years ago. Wages would be cut to $16 per hour if the plant came close to the break-even point. Finally, if the goal was missed by a wide mark, the plant would be closed. All of this was, of course, at the discretion of the management.

On February 3, the workers rejected the company's proposal by an overwhelming 76 percent. The January proposal would have replaced an existing contract that wasn't even a year old.

Following the rejection of the company's offer, the union local's leadership begged management for an opportunity to negotiate some adjustments that might persuade workers to accept the agreement. The resulting proposal presented only minor changes from the original. Effectively, the union bureaucracy was hoping to demoralize the membership by convincing them that there was no alternative to accepting the company's take-away demands. It didn't work.

The second round vote concluded on March 17 with a majority of the workers once again voting against the givebacks. This time, the revised offer was rejected by 52 percent. The rejection by the members of the union bureaucrats' "deal" reflects both a deep distrust of the company and a lack of faith that the union would do anything to protect them. Those voting "no" are quoted as saying that they were not voting against their jobs, but that the company was asking for too many concessions. Workers also said they had lost all trust in the management after it failed to meet one promise after another.

Based on the renewed defiance by the workers, NPG management announced that it would accelerate the closing of the plant. There has been no word from the union leadership regarding any actions to counter the shutdown.

Shortly after the vote, New York Democratic Senator Charles Schumer approached the owners of the DeWitt plant with the possibility of receiving part of $5 billion in federal funds assistance for auto parts suppliers. The intervention of Steven Rattner, the Obama administration's leading advisor to the Treasury regarding the auto industry, was offered to Magna. However, the next day the company rejected the federal money. The *Ithaca Journal* reported, "The Canadian company says money isn't the only issue and flexibility in work rules and other operational changes it has sought wouldn't keep the plant competitive." In other words, only the complete subjugation of the workforce would be satisfactory.

Even if Magna workers had accepted the wage cuts there was no guarantee that the remaining jobs would not have disappeared within a few months in any case. Already, the workforce had been cut from 4,000 at its height in 2002 to 1,400 workers currently, and there were reported plans to cut even further, down to 760.

The company, like the rest of the auto industry, was determined to place the entire burden of the economic crisis, and in particular the steep decline in vehicle sales, on the backs of the employees. Management was demanding the complete prostration of the workforce in order to maintain profits for the owners. It is clear that these workers understood the consequences of their action, but had reached a point beyond which they refused to be pushed even as their union leadership provided no perspective except surrender.

The plant's shutdown will have a severely negative effect on the local economy. Not only wages but also tax revenue will be lost. The *Syracuse Post-Standard* reported that New Process Gear's town and county property taxes for 2009 total $714,251. Its school taxes are higher—$742,409 for the East Syracuse-Minoa School District in 2008-09. However, it is not the company but the state that pays these taxes since the plant is located in an Empire Zone economic development area, a tax give-away to corporations by the state government.