

# UAW: We'd "love to see" 40 percent of GM workers making tier-two wages

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On Tuesday morning United Auto Workers President Bob King and Vice President Joe Ashton gave a press conference to praise the deal reached by the UAW with General Motors. The tentative agreement includes no wage increase for the vast majority of GM's 49,000 workers and expands the hated two-tier wage system, which condemns young workers to substandard wages and benefits.

The deal continues the brutal cost-cutting drive GM, the Obama administration and the UAW have carried out to restore profitability to the auto industry since restructuring in 2009. GM has reduced labor costs by more than 30 percent and is now sitting on assets of more than \$30 billion.

From the beginning of the negotiations, the UAW has openly declared its intention to ensure that the company's "fixed costs" remain flat. Under the terms of the agreement, new-hires will be paid \$15.78 and receive small increments over the next four years until they top out at \$19.28. GM and the UAW have more than offset this extra cost by expanding the number of low-paid workers that will be employed by the company.

Ashton said the majority of the 6,400 workers GM has agreed to hire or retain will be low-paid, adding that he would "love to see" 40 percent of GM's workforce paid tier-two wages by the end of the contract. "That would mean we were adding new jobs," Ashton said.

The additional jobs mean several more millions of dollars in dues for the UAW apparatus. The UAW has used the near poverty wages to entice GM to shift production from Mexico back to UAW plants in the US, including in Tennessee and Michigan. The UAW is

also backing an early retirement plan to push out 17,000 older workers—a third of the remaining workforce—so they can be replaced with low-paid workers.

In his remarks King said, "Nowhere else in America are we creating strong, middle-class jobs. That's because we're working closely with corporations. Production that left the country is coming back and its good for the middle class."

King who makes at least \$150,000 a year, not including thousands more in perks, is certainly part of the comfortable upper-middle class. Auto workers who haven't seen a wage increase, or young workers barely keeping their heads above water on tier two wages, are not.

There is an inseparable gulf between the workers in the factories and the corrupt businessmen who control the UAW. King and the rest of the union executives control billions of dollars in corporate shares and they have a direct financial interest in further driving down wages and benefits in order to boost the value of their stock. The deal even includes a 10 percent tax on auto workers' profit-sharing checks in order to pad the multi-billion-dollar retiree health care investment fund controlled by the UAW.

The collaboration of the UAW executives with the corporations has been a lucrative enterprise.

The press conference was held at the UAW-GM Center for Human Resources, a seven-story 398,000-square-foot center located along the Detroit riverfront, just east of the General Motors headquarters. Built at an estimated cost of \$60 million, the building is one of several facilities, including the UAW-Ford and UAW-Chrysler training centers, that the UAW jointly

runs with the automakers in the Detroit area. According to a 2010 disclosure filed with the US Labor Department, the UAW received more than \$5 million in revenue from the three “training centers” last year.

Not too far away is the misnamed “Solidarity House” headquarters of the UAW International. From there, King, the son of a Ford industrial relations manager, presides over a staff of hundreds of executives, regional directors, servicing reps and organizers who make six-digit salaries doing the bidding of the auto bosses. The whole rotten edifice depends on suppressing any struggle by workers against the attack on jobs, living standards and working conditions in the plants.

Present at the press conference were dozens of UAW officials on the gravy train who repeatedly applauded and gave standing ovations as King and Ashton read off what they were gaining at the expense of rank-and-file workers.

During the question-and-answer period, this reporter challenged King’s claims about “middle class” jobs, saying that even with the small raise, second-tier workers would be making barely enough to avoid qualifying for food stamps in Michigan. On the other hand, the UAW has been disbursing \$90 million to its top staff, paying them \$150,000 and more, and hiring their wives as stenographers for another \$60,000.

Well aware of the deep opposition to this sellout agreement, King claimed that the UAW was “a great democratic organization” and the members would ultimately decide on the contract. In fact, over the next week the entire UAW apparatus will be mobilized in an effort to crush opposition and push the contract through.

As this reporter was leaving the conference, one UAW official, referring to the earlier exchange about staff making \$150,000, arrogantly declared, “You are wrong. We make a hell of a lot more.”

Auto workers can get nothing from such a corporatist organization. The struggle to defeat the contract requires a rebellion against the UAW and the formation of rank-and-file committees to spearhead an industrial and political fight to defend jobs, abolish the two-tier wage system and restore all concessions, including cost of living and pay increases.



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