

# UAW vs. autoworkers: Who are the freeloaders?

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6 July 2015

In a recent interview with the *Detroit News*, United Auto Workers Vice President for Ford Jimmy Settles slandered workers who plan to stop paying union dues to the UAW under terms of Michigan's "Right to Work" law.

Commenting on the impact of the law, which bans the collection of union dues as a condition of employment, Settles told the *News*, "We'll have some drop off, I am not naïve enough to think we won't. We have a few freeloaders, but I think it will make us stronger. Who wants to pay for anything? It's human nature. But at the end of the day people understand if you tell them what you're getting."

Republican-backed right-to-work laws are anti-worker and aimed at blocking any collective resistance to the corporations. That being said, workers have every reason to stop paying the UAW for the "privilege" of being sold out.

The charge of "freeloaders" is particularly rich given the source of the slander. Settles has made a long and lucrative career of serving Ford Motor Co. and imposing layoffs, wage cuts and speed up on its behalf.

Such a term would be far more accurate to hang on Settles, UAW President Dennis Williams and the hundreds of union executives "sweating" in their air conditioned offices pulling down six figure salaries and expense accounts paid for by dues money extracted from workers' paychecks.

Here are a few facts. As of December 31, 2014 the UAW held \$978,107,000 in total assets, including \$628,953,000 in marketable securities. The UAW International collected \$116.8 million in dues income in 2014 through its per capita tax, with tens of millions more going to UAW locals. On top of this the UAW received \$35,627,000 in interest income. That same year the national UAW headquarters spent

\$218,937,000, including \$77,695,000 in direct salary and expense disbursements to International officers and staff. Only \$2.8 million went to members in the form of strike benefits last year.

Thirteen top international officers earned in excess of \$150,000 a year, including: Williams (\$175,160); Settles (\$163,785); UAW Vice President for General Motors Cindy Estrada (\$167,662); Secretary Treasurer Gary Casteel (\$167,071); and Norwood Jewell, vice president in charge of Fiat Chrysler (\$157,024).

In addition, Williams, Estrada, Settles and Jewell hold paid positions on the committee running the union's multi billion dollar retiree health care trust—or VEBA. According to an Internal Revenue Service filing, Settles and his cohorts were each paid salaries of \$29,396 in 2013 as trustees of the UAW Retiree Medical Trust.

This nifty sum is nearly the equivalent of the entire annual earnings of a second-tier autoworker!

Then there are the salaries the UAW executives "earn" from their positions on various joint labor-management committees. Over the last thirty-five years, the auto companies have literally transferred *billions* into these funds whose non-profit status allows UAW officials to skirt requirements to report this income to the Labor Department. Settles is the co-president and co-chair of the UAW-Ford National Programs although the IRS does not report his income.

Finally, or perhaps not finally, there are salaries from their positions on various corporate boards. Settles is a paid member of the board of directors of Blue Cross Blue Shield of Michigan. For his part, Williams collects some \$120,000 a year as a member of the audit and finance committee of truck maker Navistar International Corporation, according to Bloomberg.

Over 450 international staff members receive salaries

of more than \$100,000 dollars a year, including a host of servicing representatives, organizers, lobbyists, administrative assistants, attorneys, research specialists and accountants. In many cases, spouses and other family members are also paid staff members.

A typical two tier worker earns between \$32,000-\$38,000 a year and out of this meager sum they are forced to pay on average over \$500 in annual dues, following last year's 25 percent dues hike.

And what have autoworkers gotten in return? In 2007 the UAW agreed to a two-tier wage in the national auto contract, slashing pay for new hires and imposing inferior retirement and health benefits on them. Meanwhile, retirees lost benefits and were saddled with higher health insurance deductibles and co-pays.

Pay for senior workers has been frozen for a decade, with real earnings eroded by inflation due to the elimination of annual cost of living increases. Meanwhile, the tragic toll of deaths and injuries in the factories continues as the auto companies squeeze out ever more productivity and profits with the complicity of their UAW "partners."

As a result, over the last eight years the UAW has overseen nearly a thirty percent reduction in average labor costs for the Detroit automakers. Profits have surged with the companies raking in \$73 billion since the last contract or close to \$500,000 for each hourly worker! GM alone has agreed to a \$10 billion payout to wealthy investors in the form of a stock buyback—a move backed by the UAW, which controls millions of shares.

While issuing rhetoric about "bridging the gap" in the coming negotiations, the UAW has already said it is open to the idea of a "third tier" wage, paying non assembly workers between \$10-15 an hour, even less than the current two-tier wage. A de facto third tier already exists in many auto plants.

Pay dues to the UAW? It makes about as much sense as paying a burglar for robbing your home. Workers might as well hand their wages back to the corporations, for that's what the UAW is, management flunkies that disunite and disorganize workers.

Workers should have no illusions that the UAW can be reformed and forced to fight. It is a business whose executives prosper from the impoverishment of the workers it claims to represent.

This stems not just from the personal corruption of

Settles & Co. but the very nature of the trade unions in the US and around the world. In the first place these organizations are tied to the capitalist profit system and defend the "right" of the billionaire corporate owners to extract profit off the labor of workers. That is the meaning behind the UAW's political alliance with the Obama administration and the Democratic Party, which, no less than the Republicans, is a party of big business, war and social inequality.

The unions in the US and around the world have no progressive answer to the globalization of production. Wedded to the national economy and hostile to a struggle to unite workers internationally, the UAW has spent the last 35 years helping the automakers slash jobs and wages in the name of boosting the "competitiveness" and profits of American capitalism.

The UAW rightly fears a mass exodus of dues-paying members once workers are no longer required to pay dues. In response it has threatened to publish the names of such workers and deprive them of the right to vote on the contract. This blackmail must be rejected: every worker must have the right to vote!

Workers understand the need for collective organization, but workers need genuine democratic, fighting organizations, not employer fronts. This is behind the call by the Socialist Equality Party for the formation of rank-and file committees in every workplace to spearhead the fight for defense of jobs, wages and living standards.



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