UAW announces last-minute sellout agreement with GM

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26 October 2015

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The United Auto Workers announced a tentative deal for a new four-year labor agreement covering 52,000 General Motors workers in the United States just before midnight on Sunday. The UAW employed the same cynical theatrics it did to block a struggle by Fiat Chrysler workers earlier this month, reporting the deal just minutes before a bogus "strike notice" deadline against the world's third largest automaker.

The announcement of the agreement followed a news blackout by the UAW, which is consistent with its policy of keeping workers in the dark as it conspires with the auto bosses to impose another pro-company contract. The union issued a lying statement on its Facebook page just before midnight saying, "Your UAW-GM Bargaining Committee has secured significant gains and job security protections in a tentative agreement with GM."

The bargaining committee, which voted unanimously, is sending the tentative agreement to the UAW's National GM Council, which is made up of local union leaders. The council will vote on Wednesday for ratification before the UAW begins its campaign of intimidation and lies to ram it through GM workers.

The character of the deal was made clear by the enthusiastic reaction of GM. "The new UAW-GM national agreement is good for employees and the business," said Cathy Clegg, GM North America Manufacturing and Labor Relations vice president. "Working with our UAW partners, we developed constructive solutions that benefit employees and provide flexibility for the company to respond to the needs of the marketplace."

Rank-and-file workers at GM should prepare now to mount a counter-offensive to defeat the contract, which can be nothing other than another historic attack on autoworkers. Workers must take the conduct of this struggle out of the hands of the UAW through the election of rank-and-file factory committees to unify all autoworkers in a common fight to abolish the two-tier system, defend all jobs and overturn decades of UAW-backed concessions.

As the deadline approached there was widespread sentiment for a serious fight but little belief that the UAW was doing anything more than posturing. GM workers, like their counterparts at FCA and Ford, have not had a raise in more than a decade—resulting in a nearly one-third fall in real wages—while the corporation and its biggest investors have raked in billions. Last week, GM announced $3.3 billion in third-quarter operating profits in North America, making it the envy of every global auto giant.

"Everyone I've spoken to is ready to start picketing and to take a stand," a second-tier worker at GM's plant in Arlington, Texas told the WSWS *Autoworker Newsletter*. "Nobody can afford to strike, but if push came to shove we are willing to fight for what's right. It's a slap in the face, the company posts huge profits and they tell the guys who are trying to make an honest living that there is nothing for us. If we don't fight now when are we going to?"

As for the UAW, he said, "I didn't expect them to call a strike. It was just a ploy to make it look like they were going down to the wire to fight for us. They told second-tier workers at Chrysler they will make top pay in eight years. But that can be taken off the table in four years in the next contract. The union and the company have no problem lying to us. They will do anything to benefit themselves."

Autoworkers are also fighting the Obama administration, which has spearheaded the attack on the working class. GM's profits have skyrocketed since the Obama administration's 2009 restructuring of GM and Chrysler, which imposed crushing concessions on workers. The automakers are also using Obama's "Cadillac Tax" on supposedly overgenerous health care benefits to shift the cost of medical insurance from the employers to workers.

The UAW—which through its Retiree Medical Benefits Trust owns 8.7 percent of GM shares, the single largest block—has enforced the dictates of GM, Wall Street and the Obama administration.

The new labor agreement it has reached with GM will only intensify the exploitation of autoworkers. Like the previous FCA-UAW deal, it will lay the basis for the establishment of permanently lower pay and benefits in the auto industry by pushing out older, high-paid workers and replacing them with a largely casual, low-paid workforce.

While UAW President Dennis Williams and Vice President Cindy Estrada have hinted that GM workers would get a better contract than FCA workers because GM is in better financial shape, the UAW is no less committed to prevent any significant increase in fixed labor costs.

One scenario might include larger signing bonuses or profit-sharing checks for tier-one workers, which would do nothing to stop the decades-long erosion of workers' living standards or increase their hourly base wages used to calculate overtime, vacation pay or pensions.

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The *Detroit News* cites another possible scenario. "Some industry insiders say the union could push for higher wages for GM veteran workers than what Fiat Chrysler's members will receive, and perhaps even a shorter ramp-up time—less than the eight years at Fiat Chrysler—to close the gap between entry level and veteran workers. The company could look to offset costs by lowering profit-sharing or seeking health care changes."

The talk of "closing the gap" between second-tier and first-tier workers is a fraud. Not only does the "path" to tier-one wages stretch over many years, but the contract at FCA ensures that second tier workers will continue to receive vastly inferior pension and health care benefits.

The FCA deal also sets the precedent for GM and Ford to eliminate caps on the percentage of lower-paid second-tier workers and sharply increase their lower-paid workforce. At FCA, 45 percent of workers are tier-two.

When the UAW first accepted the hated two-tier system in 2007, the percentage was capped at 25 percent. This was lifted by Obama in 2009 with the proviso that the caps would be restored in September 2015, a commitment the UAW reiterated in its 2011 agreements with GM and FCA. However, the UAW has simply ignored this pledge, claiming in the words of one UAW bureaucrat that it was a "typo."

Although Ford's cap has been expanded to 29 percent with the agreement of the UAW, the limit nevertheless forced the company to immediately transfer 865 second-tier workers into top pay positions earlier this year.

According to an article in *Automotive News*, "The UAW has no plans to resuscitate Tier 2 hiring caps at GM or Ford, aiming instead for the approach taken at FCA US that guarantees lower-paid Tier 2 workers an eight-year ladder of predetermined annual raises until they reach full wages of $30 an hour, the sources said." These sources added that "it would be prohibitively expensive at any of the Detroit 3 to have a Tier 2 hiring cap and the wage grow-in program."

The FCA contract also doubles the percentage of low-paid temporary workers who hire in a $15.78 an hour. The UAW has already indicated its support for GM's proposal to bring thousands of even lower-paid contract workers into the company, essentially creating a third and fourth tier of workers who will pay dues to the UAW.

According to the auto bosses, Wall Street, the corporate-controlled media and the UAW, workers have no right to secure and good paying jobs, employer-paid health care and pensions. To demand these social rights, they insist, is absurd.

"Since the company's doing well now, the tendency is to say we need everything now," Art Schwartz, president of Ann Arbor-based consultancy firm Labor and Economics Associates and a former GM negotiator, complained to the *Detroit News*. "It's a cyclical industry. It goes up and down. People shouldn't get too excited in the ups and too depressed in the downs."

In other words, there are absolutely no conditions in which workers can expect to see an improvement in their living standards even if the corporations, the auto bosses and Wall Street are making billions.

Schwartz continued, "I hope that the thought isn't that we need to turn down the first agreement to get more; that's not a good way to bargain," he said of GM or Ford workers, concerned that they might follow suit and rebel against the UAW as FCA workers did three weeks ago.

If workers nevertheless assert such rights, then the companies and the union will use the stick of layoffs and plant closings to quell their "unrealistic" expectations, just as the UAW did to force through its second sellout at FCA.

GM and Ford "have a target of what they want to pay," Kristin Dziczek, director of the industry and labor group at the Center for Automotive Research in Ann Arbor, told the *Detroit News*. "If you want it more in wages, you're going to take fewer jobs."

Last week, GM initiated its campaign of economic blackmail by announcing that it was eliminating the second shift at its Lake Orion assembly plant north of Detroit, wiping out at least 500 jobs.

Any talk of winning "job security" by the UAW is worthless. The last three and a half decades of such promises—which are only code words for imposing further concessions on autoworkers—have done nothing to stop the elimination of hundreds of thousands of jobs.

Under conditions of global economic slowdown, GM and other auto giants are preparing another round of restructuring. Over the last decade, GM has reduced its hourly workforce in the US from 86,000 to 52,000, with the full backing of the UAW. At the same time, it has shut down plants in Antwerp, Belgium and Bochum, Germany, and carried out thousands of layoffs in Canada, Russia, Brazil and other countries. In an interview with the *Wall Street Journal* Sunday, GM CEO Mary Barra assured investors that the company would continue to slash jobs, and that the company's focus was now on profit margins instead of market share.

The global car industry, she said, "is in transformation, and many times in transformation there are winners and losers…We've got to decide where we can make a sustainable return or we shouldn't deploy the capital."

A struggle against the global auto giants is only possible if workers initiate a struggle independently of the UAW company union and develop a new industrial and political strategy based on mobilizing the broadest sections of workers in the US and internationally.

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