

Opposition to UAW-GM sellout mounts as details surface

Jerry White
29 October 2015

Rank-and-file workers from General Motors are reacting with anger as details of the agreement reached by the United Auto Workers last Sunday begin to surface. On Wednesday afternoon, local union officials on the UAW Council rubber-stamped the four-year deal, which covers 53,000 workers at the largest US automaker, during a meeting at the UAW-GM Human Resource Center in Detroit.

Soon afterwards, the UAW dumped hundreds of pages of contract language on its web site, along with a self-serving “highlights” summary. The UAW is now seeking to rush through the ratification vote, with ballots taking place as early as Friday, before workers have a chance to study the details and mount a campaign to defeat the sellout.

Williams was asked during Wednesday evening’s press conference if he was going to give GM workers an 11-day period to review the deal, like the UAW did after FCA workers defeated their initial contract by a two-to-one margin. With a straight face, Williams suggested that GM workers were savvier than FCA workers—and therefore did not need the extra time!

“The one thing we want is for our members to have plenty of time to look at the agreement, get their questions answered so they understand. At FCA, 43 percent of the employees have been hired in since 2011. Here [at GM] 81 percent of the members have been here at least before 2007. It’s a different membership. But the process we want is transparency, we want the questions answered, our members have the right to that.”

In reality, it is precisely because many GM workers are more experienced that the UAW wants to rush the contract through. This will be combined with a campaign of distortion by its PR firm and economic blackmail aimed at breaking the resistance of GM workers to the pro-company deal.

At the press conference, Williams and UAW Vice President Cindy Estrada claimed the agreement had achieved “significant wage gains” and “stronger benefits” for autoworkers. Estrada went so far as to call it a “transformative agreement,” echoing the language the auto bosses used after the UAW agreed to the hated two-tier wage and benefit system in 2007.

The WSWs *Autoworker Newsletter* will do a further analysis of the full contract and urges autoworkers to send us their comments and post information on our Facebook page. An

initial reading, however, reveals that outside of a larger signing bonus (\$8,000 for first- and second-tier workers and \$2,000 for temporary workers), along with a different profit sharing formula, the GM deal is essentially identical to the one the UAW forced on Fiat Chrysler workers last week.

Strict limits on the percentage of second-tier workers have been eliminated, freeing GM to hire as many workers earning inferior wages and benefits as possible. New second-tier workers, euphemistically called “in-progression employees” by the UAW, will have to labor eight years before attaining a “traditional wage” of around \$29 per hour by 2022.

Traditional workers hired before 2007, which make up four-fifths of the hourly workforce at GM, will receive an insulting 6 percent pay increase over four years, plus two lump sum payments subject to taxes and union dues deduction. These workers have suffered a decade-long pay freeze that has eroded their real wages by one-third.

Cost of Living Adjustments (COLA) have not been restored. Instead they have been replaced by “performance award payments,” which come nowhere near to replacing the compounding improvements of COLA. More significantly, such schemes force workers to pay for economic crises and the shortsighted and often criminal decisions (as in the ignition switch scandal) of corporate executives and investors, over which workers have no control.

With the assistance of the UAW, GM plans to push out higher paid workers through a combination of layoffs, speedups and early retirement packages, helping establish a permanently lower pay and benefit structure in the auto industry.

Far from eliminating the two-tier system, the contract includes additional tiers of lower-paid workers, including temporary workers (who themselves will be structured along two tiers), contract workers and workers at GMCH (General Motors Components Holding), the former Delphi parts division that GM spun off in 1999 and then returned back in-house after workers faced savage wage and benefit cuts under bankruptcy restructuring. The highest seniority GMCH workers—who are all considered “in-progression” employees—will max out at \$22.50 per hour by 2019.

Under the deal, retirees living on fixed incomes and forced to pay higher out-of-pocket expenses by UAW Retiree Medical

Benefits Trust are being given an insulting \$500 gift card!

During the press conference, Williams boasted that the deal would move second-tier workers into the health care plan of traditional employees, including providing them full dental and full vision coverage. The full contract, however, stipulates a number of “exceptions” to this claim, including co-pays and deductibles. Second-tier workers will also be ineligible for health care after retirement.

The contract summary also notes that the UAW will work with GM to “discuss changes to the health care plan” to bring the company’s costs below the threshold of Obama’s Cadillac Tax on supposedly “high-cost plans” that goes into effect in 2018.

In other words, rather than moving second-tier workers into qualitatively better health care plans, “traditional health care” will be undermined through a combination of inferior medical coverage and higher costs for all workers. If tier-one workers do not sign onto lower costing plans, they will be forced to pay first ever deductibles of \$400 for single coverage and \$800 for family coverage.

Second-tier workers will also continue to receive inferior 401(k) pension plans. The UAW boasts in its highlights of small increases in the contribution to these plans from GM, but this applies only to workers hired before the contract goes into effect. New second-tier workers will continue to receive the old pay-in from the company, creating a second tier within the second tier.

Williams told reporters after the GM Council meeting that the agreement was designed to “give our members a path to secure income” while convincing the companies to “invest in our plants with new products and technology.” This theme is repeated in the highlight brochure, where Williams and Estrada write, “Figuring out how to balance these competing demands is one of our responsibilities as your bargaining representative. Not considering the give and take between job security, and good pay and benefits is irresponsible.”

Behind this double talk, the UAW insists that workers’ demands for substantial pay and benefit increases is “irresponsible,” even though GM is raking in record profits and squandering billions on stock buybacks and dividends for its richest Wall Street investors. If workers demand more, the UAW declares, the companies will simply pull out and invest in more “competitive,” i.e. lower wage, countries.

The sacrifice of workers’ living standards in the name of “job security” did not stop the Big Three auto bosses from wiping out more than 1 million jobs since 1979. Thoroughly hostile to any struggle to unite US workers with their brothers and sisters in Mexico, China, Canada and other countries to fight whipsawing by the global auto giants, the UAW’s policy is to entice companies to “in-source” to America by slashing the jobs, wages and benefits of American workers.

Although the UAW claims 3,300 jobs have been “created or retained,” in reality there are more job cuts to come. For

example, no new product is assigned to the Marion Stamping plant in central Indiana, a sign that it could be on the chopping block.

Like the FCA contract, the GM deal expands the network of labor-management schemes, including the National Sourcing Committee, that will enable the UAW to force workers to accept further concessions to enhance “job opportunities.”

As autoworkers began to pore over the details of the contract, the UAW International’s Facebook page lit up with angry denunciations of the GM deal and the UAW.

A young GM worker in the Detroit area wrote, “We should not have to work almost a 1/3 of our time at GM to max out. When 20 years ago they were less profitable getting max pay within a year or two. It goes against everything the union ‘used’ to stand by.”

A skilled tradesman from Flint, Michigan wrote, “There are absolutely no gains other than the 3% and 4% for active skilled trades, and I have been reading actual language not just the highlight which are nothing but fluff in the trades pages. This is looking like the 1st contract I will vote ‘no’ on in 20 years.”

A worker from Kokomo, Indiana, wrote, “What a slap in the face for us GMCH workers, some of us have been there 16 plus years and hired in under GM before becoming GMCH. They just created a 3rd tier with this contract!”

“Significant Gains?!? More like a Significant Joke!” wrote a GM worker from Lockport, New York. “Who’s turn was it again, I thought it was OUR TURN. What the heck happened to significant gains? For who—the Company.”

The wife of a Ford worker said, “Now you know who the UAW works for and where your dues go. I can’t wait to see what the Ford workers get presented with for my next laugh, this is a slap in the face and down right appalling especially when you look at the profit numbers that GM AND Ford have made because of the workers hard work and last contract concessions! YOU DESERVE MORE and have earned it! If the Ford contract is the same, my hubby is prepared to vote NO and I will stand by him! Where do you stand UAW? For or against the workers?”

These are only a small sample of mounting opposition of workers. This must be taken to the next stage through the organization of rank-and-file factory committees to rally opposition to defeat the sellout and to take the conduct of the struggle out of the hands of the UAW. GM workers must link up with FCA, Ford and other autoworkers, as well as the broadest sections of workers in the US and internationally, to mount an industrial and political counteroffensive against the attack on jobs and living standards.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact