

As contract talks set to begin

## GM throws down gauntlet to autoworkers

Jerry White  
21 June 2019

*Get regular updates in your email inbox. Sign up for the WSWS Autoworkers Newsletter!*

General Motors wants a new labor agreement that will allow it to sharply expand the number of low-paid contract workers and impose much higher out-of-pocket health care costs on its 52,000 hourly workers in the US. This was revealed by the industry publication *Automotive News*, which posted an article Wednesday titled “GM pushes for more temp workers as UAW talks loom.”

Negotiations between the United Auto Workers union and the Big Three automakers are set to begin next month for 155,000 GM, Ford and Fiat Chrysler workers.

Citing unnamed corporate insiders “familiar with the automaker’s thinking,” *Automotive News* writes, “GM is looking for more factories to adopt agreements like the one used by its electric-car plant in Orion, Mich. There, workers employed by a subsidiary called GM Subsystems LLC, pay staff in the plant less money for jobs such as handling parts and materials before they go to the assembly line. Four of GM’s 33 US plants have such contracts now.

“If GM can hire more temporary workers who are paid less and aren’t on the same health care plan, the automaker argues that it can offer job security for its unionized employees. GM would also like to find ways to reduce its roughly \$900 million annual health care bill for union employees, including by getting greater contributions from workers, the people said.”

The publication notes that GM’s Japanese-owned rivals Toyota, Honda and Nissan “staff their plants with about 20 percent temporary workers.” It continues: “In comparison, about 7 percent of GM’s staff are temps.” This suggests that GM wants to at least triple the number of these highly exploited workers.

Previous reports have indicated that GM, Ford and Fiat Chrysler are determined to slash health care costs, particularly with the 40 percent tax on so-called

“Cadillac” health care benefits, part of Obama’s misnamed Affordable Care Act, going into effect in 2022. As *Forbes* complained earlier this year, “The UAW’s extremely generous health plans are the last vestige of the quasi-socialism that dominated the US auto industry for 100 years.”

Under pressure from Wall Street, the automakers are carrying out a global restructuring to push profit margins even higher. The repeated concessions handed over by the UAW have led to a 25 percent fall in autoworkers’ real wages since 2002. Meanwhile, the auto companies have recorded a decade of record profits, and GM has spent \$25 billion over the last five years on stock buybacks and dividend payments to its investors.

The demands for another round of deep concessions confirm the warnings of the WSWS *Autoworker Newsletter*.

In a call to action for autoworkers, the WSWS declared, “The auto bosses plan to use the threat of unemployment to blackmail workers into accepting more concessions this summer. Their aim is to further transform autoworkers into a cheap, highly exploited and disposable workforce in order to maximize the returns to their wealthy shareholders.”

The *Automotive News* claims the UAW “is still steaming over the carmaker’s plans to close four US factories” and has “little interest in obliging” GM. “That sets up a hot summer of negotiations with the UAW as the two try to hash out a new labor deal in the coming months.”

In fact, the UAW is completely on board with the auto corporations and their Wall Street investors. The “new labor deal” has already been written. The upcoming talks are not “negotiations” but a conspiracy between the auto executives and their paid servants in the UAW to discuss how to ram through another pro-company contract past resistant workers.

In an article posted last November, the *Automotive News* acknowledged that the UAW welcomed the plant closing announcement as a means of beating back autoworkers' demands to overturn decades of UAW-backed concessions now that GM and other automakers are making billions in profits.

GM's announcement, the publication wrote, "could actually be a blessing in disguise for UAW leaders, who are fighting an internal battle with members following a federal corruption scandal." It continued: "If union leaders can save one, maybe two plants, they could be seen as heroes instead of company pawns, a view of several recent UAW leaders painted by federal prosecutors."

Any deal to keep a factory open, the industry publication said, "will come at a huge cost to workers." The article explained: "If any of the plants are saved, union members should read the fine print in the contract. Expect GM to demand untraditional employment practices such as an increase in temporary, subcontracted or outsourced workers."

In mid-2018, UAW Vice President for GM Cindy Estrada, with the support of the leadership of UAW Local 5960 at the Lake Orion, Michigan plant, signed a secret Memorandum of Understanding (MOU) giving GM a green light to hire low-paid subcontractors to replace 150 regular GM employees in the materials department earning full pay and benefits. Employed by GM Subsystems LLC, a wholly owned GM subsidiary, the contract workers, who pay UAW dues, started at \$15 an hour, about half of the pay for senior, tier-one workers.

The UAW signed a similar "Competitive Operating Agreement" at the Lordstown, Ohio assembly plant. Far from saving the factory, the massive concession paved the way for the layoff of 3,000 workers and closure of the 50-year-old plant in March. The UAW also approved the outsourcing of work to GM Subsystems at the Detroit-Hamtramck plant, which is scheduled to be shut in January 2020.

"GM has hired new, cheaper workers to replace higher-paid ones," said a Lake Orion worker who lost her job at the plant after eight years. "This is BS. All these contract workers should be rolled over to traditional jobs, but instead they are kicking others out. I was fired because of car problems and having to care for a sick family member. One day I had to wait for a tow truck for my car, and I arrived late. I was fired and I learned later that there were lot more workers they fired. The UAW didn't say a thing. My committeeman refused to answer my calls.

"The companies are making huge profits and workers

are making the minimum wage. We're busting our asses and building cars. If we came together, we could shut the industry down, but the UAW doesn't want us to come out on strike. They say if you don't come to work, you'll be fired."

A fightback is possible, but workers will need their own organizations. The *WSWS Autoworker Newsletter* urges workers in every factory to organize rank-and-file factory committees to organize opposition. The first step is for workers to draw up a list of demands for the contract fight that is based on what workers and their families need, not what the corporations and the UAW say is affordable.

A network of rank-and-file organizations in the factories will unite all autoworkers—first- and second-tier, full-time and part-time, young, old and retired—and mobilize the collective power of workers.

Lines of communication between all factories, and between GM, Ford and Fiat Chrysler workers, must be established in order to prepare a national strike to shut down the auto industry. An appeal must be made to workers in Mexico, Canada and around the world to carry out joint action against the global attack on autoworkers.

Jeff, a veteran GM worker who has already gone through plant closures in Pontiac and Detroit, said, "Workers aren't going to go for health care cuts. There is no way we are going to vote 'yes' on that. The UAW is telling us to save our money for a long strike. But in 2015, the union was stuffing the ballot boxes to get the contract passed. They've been taking bribes from the companies for a long time.

"Nobody had heard about the Mexican workers going on strike in Matamoros, but I read about it in the *Autoworker Newsletter*. Workers are fed up there. They can't even afford to buy a home and the government in Mexico and other countries are all bought off by the American government.

"In the US, people are starting to fight too. College kids are coming out saying why should I get student loan debts when I'm getting a \$15 an hour job when I get out? Teachers are marching in Lansing for better pay and conditions. They're coming after everything, and its time the rank and file stand up."



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**