GM strike in danger of union-enforced defeat as UAW announces ‘good progress’ on temps, health care

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The United Auto Workers (UAW) and General Motors are making “good progress” towards an agreement, UAW Vice President for GM Terry Dittes said in a letter published Friday evening. The letter cited the use of temporary workers and health care as areas where the company and the union are supposedly approaching an agreement.

As with all previous “updates,” the brief 112-word statement contained no information whatsoever about the content of the talks. But the announcement is a clear sign that the GM strike, now in its third week, is in serious danger. GM and its hired agents in the UAW are working overtime to shut down the strike and enforce a defeat.

There are two alternatives facing autoworkers. Either they take the struggle out of the hands of the UAW by forming rank-and-file strike committees, formulate their own demands, broaden the struggle to include Ford and Fiat Chrysler workers and make their struggle the center of a broader counteroffensive by the working class in defense of jobs throughout the United States and internationally, or the UAW and GM will enforce a strategic defeat which, they hope, will lay the foundation for reducing autoworkers to the level of industrial slaves.

That the UAW was forced to call a strike at all was due to the overwhelming anger and distrust of autoworkers, which the UAW feared was becoming uncontrollable. However, from the beginning the UAW and GM have bided their time, relying on the union’s starvation strike pay of $250 per week to wear down strikers and force through the concessions which they have long ago agreed to.

The union is also under immense pressure from the federal government, which is using the expanding federal corruption probe to send them the message that they cannot cede an inch to workers’ demands. The only real “negotiations” the UAW is conducting are with federal prosecutors, and the union no doubt hopes that their jail sentences will be lightened in exchange for forcing through contracts favorable to GM, Ford and Fiat Chrysler.

There are many signs that the UAW is preparing to shut down the strike at some point over the next several days. A deal could be announced as early as the weekend, according to labor professor Harley Shaiken in comments to the *Detroit Free Press*.

Anecdotal evidence suggests that GM has penciled in October 8, next Tuesday, as the end date of the strike. The company had informed workers at the Silao complex in Mexico, which is now temporarily shut down, that the factory will return to full production on October 8. A court injunction which the company obtained against pickets at the Spring Hill Assembly Plant in Tennessee also expires at the same date.

Secretary for Economic Development for the Mexican state of San Luis Potosí Gustavo Puente Orozco told the *Vanguardia* newspaper that GM executives assured him that they "expect that this week they will be able to resolve the problem they have in the United States and that [things] will return to normal, especially for the suppliers of the Sialo plant."

The fifth largest auto maker in the world by revenue, GM is seeking to further reduce its labor costs through a vast increase in the use of temporary workers and sharp increases in out-of-pocket health care expenses for workers. Its executives have complained that “all-in” labor costs, or the total labor expenses divided by

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the number of hours worked, are $63 per hour, compared to $50 for foreign-based automakers operating plants in the southern US.

If the company can increase the percentage of temps to 20 percent of its workforce, in line with its foreign competitors, and increase out of pocket expenses from 3 to 15 percent, that could save the company more than $500 million annually, according to the *Free Press.* Moreover, this would set the standard for similar cuts at Ford and Fiat Chrysler.

As in 2009, when the Obama-led restructuring of the industry set the standard for wage and benefit cuts throughout the economy, concessions at the Detroit automakers will have a ripple effect throughout the entire economy. For GM and its Wall Street investors, this makes the costs of a strike well worth it.

The UAW agrees with all of this, so long as it can continue to extract union dues from GM's workforce. Its shutdown of a two-day strike in 2007 was instrumental in introducing the two-tier wage structure. It rammed through the 2015 contract against overwhelming opposition from autoworkers, effectively establishing temporary workers as a de facto third tier. Plans to force current autoworkers onto a UAW-controlled health care co-op were scrapped after the first contract was rejected by a 2-to-1 margin at Fiat Chrysler.

The union is already lining up contracts at Fiat Chrysler and Ford, which it hopes to pass as rapidly as possible after engineering a defeat at GM. Virtually all issues except those impacted by pattern bargaining have been settled at the two companies, according to UAW statements. At Ford, 18 of 20 subcommittees have already reached tentative agreements, according to UAW-Ford VP Rory Gamble on Thursday.

Ford is under the most pressure from Wall Street, which is not satisfied with the pace and scale of the automakers' "fitness program," corporate speak for a global jobs massacre. Moody's has already downgraded the company's credit rating to junk status.

Fiat Chrysler, the smallest of the Big Three, has been searching for a merger partner for years to help it shed costs through layoffs and plant closures. Italian autoworkers at the company's Alfa Romeo plant struck this week in response to the death of a worker on the line, a fact which the UAW has concealed from workers in the US.

Meanwhile, the UAW is allowing Ford and Fiat Chrysler to stockpile vehicles by enforcing overtime, according to several workers who spoke with the *World Socialist Web Site Autoworker Newsletter*.

A Fiat Chrysler worker at Jefferson North Assembly in Detroit said, "I think [the overtime is] kind of bizarre, that our brothers and sisters are picketing on the line and we are scheduled to work Sunday. We are full bloom, we have three shifts going, we are working overtime like crazy.

"I believe that if the UAW was in serious negotiations to our favor they wouldn't have us stockpiling the way that we are. I think it's all smoke and mirrors, I think it's an illusion. I think that even the GM strike is just a publicity stunt. … It's kind of blatant what's going on right now, you can't even hide it because if they really wanted to have any type of negotiation or leverage they would all let us strike out at the same time. We believe that it would have [had to only last] two hours if that would have happened.

"We are definitely ready [to join GM workers]," she said.

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