

GM tightens screws on UAW with threat to close joint training center

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On Thursday, October 10 at 7:00 p.m. Eastern Time, the WSWs Autoworker Newsletter is hosting an online meeting to discuss the strategy and perspective needed to win the strike. To participate, visit wsws.org/autocall.

As the strike by 48,000 US General Motors workers reaches its fourth week, media reports indicate that GM management has called for the shutting down of the UAW-GM Center for Human Resources (CHR) as part of its contract proposals. The report published in the *Detroit News* follows the issuing of a letter this weekend by UAW Vice President for GM Terry Dittes stating that contract talks had “taken a turn for the worse.”

The action is aimed at tightening the screws on the UAW. The center, which is derisively known as the Center for Hidden Relatives because of the widespread nepotism practiced by the UAW, receives \$9 million-\$12 million from GM every year. Several current and former UAW co-directors of the center have been indicted or implicated in a kickback scheme using training funds, including Joe Ashton, Michael Grimes and Jeff “Paycheck” Pietrzyk.

GM, with the full backing of Wall Street, is determined to triple the number of temporary workers, gut health care benefits and accelerate both the destruction of jobs and the creation of a low-paid casual workforce, in order to rapidly recoup its investments in electric, self-driving and other new transportation technologies. The UAW is more than willing to impose the company’s demands.

However, UAW officials fear they will not be able to ram another nakedly pro-company deal past militant workers who know that top UAW officials are corrupt hacks on the payroll of GM. The plan of the UAW is to wear strikers down first, starving them on \$250 a week in strike pay, while pleading with GM to make some kind of cosmetic gesture to help sell the deal. The threats to turn off the financial spigot to Solidarity House, along with a potential government takeover and jailing of its top leadership, are shots across the bow to the UAW officials telling them to quickly get over any reticence and impose management’s dictates.

Detroit News Wednesday, reported the agents are investigating whether training funds from GM, Ford and Fiat Chrysler were used to build a lakefront home for retired UAW President Dennis Williams at the union’s Black Lake resort in northern Michigan. According to the *News*, investigators have issued grand jury subpoenas, including to at least one Southfield, Michigan contactor who worked at the Black Lake Conference Center, to determine whether as much as \$1 million from Detroit automakers was spent on personal luxuries for union leaders. This includes a three-bedroom, three-and-a-half bath, 1,885-square-foot home for Williams, boats, and a dock exclusively used by UAW officers.

The inquiry, the *News* says, is among the reasons FBI, IRS and Labor Department agents raided the Black Lake facility on August 28 as part of the nationwide searches, which included Williams’ home in California and the suburban Detroit home of current UAW president Gary Jones.

Thomas F. Adams, a former GM Buick City worker from Flint, authored the 2011 dissertation, *UAW, Inc. The Triumph of Capital*, which details the evolution of the training centers and other corporatist schemes since their inception in the early 1980s. He recently spoke with the *World Socialist Web Site Autoworker Newsletter*:

“Since 2005, the companies have funneled \$27 million annually to the training centers. The reason GM has continued to fund the Center for Human Resources is because the UAW is serving their purpose. But when that purpose is no longer being served, then they are going to get out of it. Now you’re hearing from people in the negotiations cited by the Detroit media that GM is thinking of closing the center. That may be a bargaining tactic, but the UAW is certainly reluctant, aren’t they? That is a major pillar of their financing, along with dipping into the strike fund since 1980.

“The real money is in the UAW Retirees Medical Benefits Trust, which occupies the entire top floor of the CHR. It’s worth \$67 billion. If the training center serves GM’s purpose, they will continue to fund it. Grimes was getting

\$500,000 in kickbacks from some guy making watches with joint funds. There was \$4 million in joint funds spent to make these watches and they had to get 100 percent approval from management side. Where are the criminal complaints against GM? Now for the first time ever, they are talking about closing the center. They are holding a big hammer over the UAW leadership.”

The CHR was first established in 1985 as part of the corporatist integration of the UAW into the management structure of the Detroit auto companies. Their establishment was part of the process in which the unions abandoned any connection to the defense of workers’ interests in the face of growing competition from Asian and European automakers in favor of unbridled collaboration with management. This involved the continuous lowering of labor costs in the name of helping the auto companies undercut their global rivals, which, the UAW claimed, would “save” jobs.

According to Adams’ research, when the training centers opened in 1982, there were 360,255 GM workers. By 2000, there were less than 200,000. That year, the CHR announced that \$3 billion had been spent on joint programs since 1982. Today, there are fewer than 50,000 GM workers. “The UAW became a labor organization that didn’t need members,” Adams wrote in his dissertation.

“The UAW and GM engaged in a two decades long experiment in industrial relations based on labor-management cooperation that transformed the union into an extension of corporate labor relations. By the turn of the 21st century the UAW was overshadowed by UAW Inc., the corporate entity that was a labor organization in name only.”

The CHR, as well as similar centers at Ford and Fiat Chrysler, have served as the conduit for hundreds of millions, if not billions, of dollars in corporate payouts into the bank accounts of the UAW and its officers under the guise of training. The UAW-Chrysler National Training Center was a pipeline through which the company bribed UAW officials to obtain favorable contract terms.

However, these illegal bribes are only the tip of the iceberg compared to the massive “legal” bribery by the auto companies of the UAW bureaucracy through the funding of myriad joint programs.

According to the latest federal LM-2 report detailing UAW finances, the union had \$1.12 billion in assets in 2018. UAW assets increased from \$1.06 billion in 2017 despite a 35,000 drop in membership.

It is the continued flow of corporate cash to the UAW treasury, not the winning of better wages and conditions for autoworkers, that has been at the center of every round of contract talks for the last 45 years. Management payouts to fund the training centers are incorporated into the national auto contracts. The massive cost of these centers has been

paid for by the sweat and blood of autoworkers in the form of mass layoffs, speed-up, cuts to wages and benefits, and the creation of a vast pool of low paid temporary part-time workers with no rights.

The report of the proposal to close the joint training centers follows the publication of an op-ed piece in the *Detroit Free Press* Friday by two former UAW public relations officers calling for the resignation of the entire UAW international executive board and all staff assistants, as well as the temporary suspension of the training center operations. The same day, the UAW announced that Region 5 Director Vance Pearson, currently facing a federal indictment for the embezzlement of UAW funds, has been placed on leave.

There have also been calls for UAW President Gary Jones, who is facing possible indictment after being implicated in the corruption scandal, to stand down, or at least distance himself from the negotiations—which he has done. The media has also sought to promote UAW Vice President Terry Dittes as a supposedly squeaky-clean alternative to Jones.

But all of these efforts are aimed at deluding workers as the UAW prepares to sell out the strike. What is needed is for workers to take the conduct of the struggle into their own hands, through the formation of rank-and-file committees that will fight for the extension of the strike to Ford, Fiat Chrysler and other sections of auto and auto parts workers.

Commenting on the ongoing struggle by GM workers, Adams noted, “This is a real strike, not a 40-hour walkout like in 2007. I’ve gone to the picket lines and it is heartening to talk to the young temporary workers. They are hopeful that they are actually doing something and see an opportunity to get parity and security—everything the UAW leadership gave away in 2007, even before the bankruptcy. Dittes says he is fighting for the rank and file, but he is part of a system, which is corrupt to the core.”



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