# GM Subsystems workers denounce poverty wages as UAW pushes deal with substandard pay and benefits

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*Are you a GM Subsystems worker? Contact us using the form at the bottom of this article to discuss the conditions you confront and the fight for rank-and-file committees.*

After keeping 600 GM Subsystems workers on the job for 14 months after the expiration of their last contract, the United Auto Workers appears to have pushed through a new labor agreement on workers employed by the contract company owned by General Motors.

UAW officials claim 90 percent of the workers at three GM plants voted to back the deal, with results not yet availabIe for the Grand River plant in Lansing, Michigan. The UAW exploited the economic desperation of the largely younger workers to ram through the deal, which maintains the substandard pay and benefits of the workers who labor under a separate and inferior agreement from GM's 45,000 hourly workers.

GM Subsystems workers earn $15-$17 an hour doing material handling and warehouse work that was formerly done by senior GM workers earning $33 an hour or more. The contract workers have also been burdened with high out-of-pocket medical insurance costs and have been deprived of profit-sharing bonuses that GM workers get.

A strike by the workers would have quickly forced the closure of key GM assembly plants in Detroit, Flint, Lansing and Lake Orion, Michigan. With the June 30 strike deadline approaching, the UAW provoked widespread anger by instructing GM workers to cross the picket lines of their fellow workers in the event of a walkout. Fifteen minutes before the deadline, the UAW announced it had reached a deal.

The UAW then withheld any information from workers for 11 days before holding "informational meetings" and snap votes on Monday and Tuesday. In Detroit, UAW Local 22 held a ratification vote just 45 minutes after handing out a 12-page booklet of self-serving "highlights" of the contract, which is retroactive to May 2021 and expires on September 14, 2023.

The UAW frontloaded raises and bonuses into the deal to bribe the low-wage workers into accepting it. According to the highlight booklet, the deal includes an immediate $3.50 raise for new workers to $18.50 an hour. After six years, regular production workers will max out at $22 and battery assemblers at $24. This includes only a miserable 50-cent raise next year, or just two percent, under conditions in which inflation is at 8.6 percent.

Like other UAW contracts, the agreement includes a lower tier for temporary workers who start at $15 an hour and max out at $17 after four years.

The deal also includes a $7,000 signing bonus—which will be subjected to income taxes and the deduction of $100 for UAW dues. The workers will also get profit-sharing checks—also subject to tax and union dues deduction—but will apparently get only one-quarter of what GM workers receive.

The UAW agreed to the setting up of GM's wholly owned and low-paying subsidiary during the 2009 bankruptcy restructuring of the automaker overseen by the Obama administration. UAW officials, including Vice President Cindy Estrada, signed secret local deals allowing the replacement of full-time GM workers with low-paid contractors, claiming this was necessary to secure investment and "save" plants. One of places where the UAW pushed through such a deal was at the Lordstown, Ohio assembly plant, which was shuttered after the union's sellout of the 2019 strike.

GM Subsystems also operates at GM's Brownstown, Michigan electric battery plant. Both GM and UAW officials intend to use its cheap labor model for future electric vehicle production.

At the ratification vote in Detroit on Tuesday, GM

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Subsystems workers expressed their anger and frustration with their substandard pay and conditions. Reporters from the *World Socialist Web Site* distributed a statement calling for the rejection of the sellout deal and urging workers to build rank-and-file committees to unite with GM and other workers in a counteroffensive to abolish tiers and immediate raise their pay to the level of full-time GM workers.

"They tried to sell us this with a few more bucks," one newer worker told reporters from the *World Socialist Web Site*. "But we need a lot more. The union doesn't fight for us. They've added a little stepping stone, bringing it up from $15 to $18.50, but that's still only around $700 a week. I'm a single parent, and it takes two weeks for me to save enough to pay my rent. I pay $700 a month in rent. What is it like for people paying $1,200 a month in rent?

"We are used as cheap labor. We walk through the same door as the GM workers, and we should be paid the same. They say this is a third-party contractor, but GM owns it. The company is making billions, and it's penny-pinching on us. They decided this with the union, and now they are giving us a few bucks to get it passed."

"The cost of living is really tearing me up," said another young worker. "Gas, food and everything else is high, but we're still not making any money. I can barely cover my bills." The worker said her grandparents worked at GM and Ford and acknowledged that she was making less than they did thirty years ago. "It's like everything else, we're not moving forward," she said.

A young worker who just started said, "I've seen posts on Facebook and people are saying that the union is nothing but a wolf in sheep's clothing."

A General Motors worker at the company's flagship Factory Zero electric vehicle plant spoke about the precedent GM Subsystems was setting at his Detroit plant. "My biggest concern is what does this say about the future of workers? GM is boasting that it wants to become a service company instead of a manufacturing company. What does that tell you? They want to pay service industry wages, not manufacturing wages.

"GM is talking about 'ride sharing' technologies with autonomous vehicles. Ten or 15 people will use the same vehicle every day without worrying about fuel, insurance, and storage costs. That means fewer cars will be built. How many factories are going to be closed? UAW members are not aware what is coming down the pike."

The WSWS reporters talked to him about Will Lehman's campaign for presidency of the UAW. Lehman, they said, was encouraging workers to carry out a rank-and-file revolt against the corrupt UAW bureaucracy and build rank-and-file committees so that workers could fight the attack on their jobs and living standards.

In opposition to the "Buy American" nationalism of the UAW bureaucracy, Lehman was fighting for the unity of workers globally, the WSWS reporters said. "I will look into his campaign," the worker replied. "It's hard to unite workers because of the different wage rates in China, Mexico and Europe, but I agree that's what we have to do. We all need livable wages, not just survivable wages," he added. "We should be able to enjoy a retirement and not have to work for the rest of our lives."

The worker then spoke about the corporate government offensive against the working class. "The Republicans," he said, "are trying to privatize Social Security and deregulate the corporations. They don't care about people's lives. Look what happened in the meatpacking plants when they forced workers to stay on the job as COVID was killing them."

The Democrats, he added, were no different. "I live in one of the worst zip codes in the nation for pollution, next to a Marathon oil refinery and a soap factory. For years, politicians from both parties have been telling us they were going to clean it up, but nothing has happened." Referring to the billions Biden was spending on the proxy war against Russia, he said, "It's all about the oil and other things the US wants. The government never starts any of these wars out of the goodness of their hearts."

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