

Six facts autoworkers need to know about the UAW strike fund

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3 October 2023

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Autoworkers are increasingly voicing their opposition to United Auto Workers President Shawn Fain's "stand up" strike policy, which has kept four out of five autoworkers on the job and the corporations' most profitable factories operating at full blast. On the picket lines and in the non-striking factories, demands for an all-out strike are gaining momentum.

To justify its pinprick strike policy, UAW officials have told workers that calling out every Ford, Stellantis and General Motors worker at once would quickly deplete the union's strike fund and hand all the leverage to the auto bosses.

But the UAW bureaucracy's claims to be "protecting the strike fund" quickly fall apart upon closer examination.

Fact 1: There is currently enough money in the fund to sustain a nearly three-month all-out strike against the Big Three.

According to UAW Secretary Treasurer Margaret Mock, there was \$825 million in the strike fund in July.

If all 146,000 UAW members at the Detroit Three automakers were paid the current strike benefit of \$500 per week, the fund would be sufficient for an 11-week strike, which would bring the auto corporations to their knees. If strike pay were raised to \$750 per week, the fund would last seven weeks. According to industry analysts, the first 10 days of an all-out strike would cost the automakers nearly \$1 billion.

Fact 2: The strike fund is paid for by workers' dues money and accrues interest and returns from investments.

The UAW spent \$81 million on strike benefits in 2019, largely due to the 40-day strike by 45,000 GM workers.

But the value of the fund only declined by \$28 million from the

start of 2019 to the end of the year because members continued to pay union dues, the fund earned interest and made money from investments. Over the last four years, the fund has *risen* by close to \$100 million, from \$739 at the beginning of 2019 to \$825 million in 2023.

Fact 3: The UAW bureaucracy has a vested interest in understating the real value of the strike fund.

Under the UAW constitution, once the strike fund goes above \$850 million it triggers an automatic dues reduction for the membership. In addition, the UAW apparatus has repeatedly authorized the diversion of a portion of the strike fund to cover "operating expenses." These "operating expenses" include payroll for the army of functionaries at the UAW's "Solidarity House" headquarters who do nothing for dues-paying members.

An investigative report by the *Intercept* in 2022, titled, "Just How Much Is the UAW Strike Fund Worth?" found that the reported \$825 million valuation of the UAW strike fund was a gross underestimate because it does not take into account the appreciation of underlying investments held by the union, including significant investments in venture capital and private equity funds.

The *Intercept* noted that a leaked internal audit of the UAW's assets showed "a difference of hundreds of millions of dollars between the total cost of assets held by the UAW—including the strike fund—and the appreciated value of those assets. The market value of the investments was not reported to rank-and-file members in the financial report of the secretary-treasurer provided during July's union convention, or in the financial summary provided to membership in the union's 2022 magazine."

The article continued, "A footnote buried in the 2021 audit reveals that, at fair value, the investments have appreciated significantly in value. The appreciation on all the union's total funds of \$960,020,294 was a staggering \$424,954,435 on June 30, 2021, amounting to a total valuation of \$1,384,974,729," the report noted.

While the proportion of the UAW's assets held in the strike fund is not broken out, one can assume it stands well in excess of the reported \$825 million.

Fact 4: The UAW has the ability to leverage its current assets to gain access to billions more through loans, the sale of real estate and financial assets, and other business transactions.

According to the UAW's 2023 LM-2 government disclosure form, the union has a total of \$1.1 billion in assets, although this is certainly an underestimation. In addition to its investments in private equity firms and other financial institutions, it has substantial real estate holdings, including its riverfront Solidarity House headquarters in Detroit, the Black Lake golf course and resort in northern Michigan and other properties across the US.

According to Thomas Adams, a retired General Motors worker and author of *UAW, Inc.* who has made a careful study of UAW finances, "It is not a matter that they are going to run out of money. They have money that is not regulated, it's invisible, but it is there." This includes the UAW Retiree Benefits Trust, which Adams estimates is currently worth \$74 billion-\$75 billion, with the UAW spending \$500 million annually just on administration fees, including \$300 million in non-itemized expenses listed simply as "other."

Fact 5: During the 1970 GM strike, the UAW borrowed millions of dollars from other unions and banks to cover the \$160 million it spent on strike benefits, which in today's dollars would be the equivalent of \$1.3 billion.

The 67-day walkout by GM workers in 1970, which involved 400,000 UAW members, resulted in significant gains, including substantial wage and benefit improvements and the ability of workers to retire after 30 years of service.

In 1970, the UAW strike fund stood at \$120 million, roughly \$950 million in today's dollars. The UAW not only paid out strike benefits, but covered workers' medical costs.

To finance this, the UAW received a \$25 million loan (\$203 million in today's dollars) from the Teamsters, which temporarily took over ownership of the Black Lake resort and UAW's Detroit headquarters. In addition, the UAW received \$10 million (\$80 million in current dollars) from the United Steelworkers and \$3 million (\$24 million today) from the United Rubber Workers. It also took out \$11 million (\$90 million today) in bank loans.

At the same time, the union ordered a 50 percent pay cut for all union staff members. UAW President Leonard Woodcock and other top officers agreed to go off the union payroll for the duration of the strike. It was further decided that once the strike fund ran out, all union staff would receive no pay.

In 1972, with the UAW still \$38 million in debt, then Secretary Treasurer Emil Mazey was asked if the union was "broke." He replied "I think when you measure the assets of a union you measure wages, the benefits and the assets of the members." He

pointed out that the \$160 million spent by the UAW on the GM strike set a pattern of 50-cent-an-hour pay raises (a nearly \$4 an hour raise in today's dollars), an increase of \$1,000 a year (\$8,000 in 2023 dollars), for 1.2 million workers.

Fact 6: The strike fund is for striking—it is not a piggy bank for the UAW apparatus.

The fund belongs to the workers, whose dues payments finance it, and it must be used to sustain the type of all-out battle necessary to break the resistance of the corporations and win workers' demands.

There are a number of immediate measures that can be taken to finance a genuine struggle and the expansion of the strike throughout the auto industry. At every plant, workers should raise the following demands:

- The payment of salaries, expense accounts, legal fees and other non-cash disbursements to the hundreds of functionaries in the International, regional and local UAW apparatus must be halted until the strike is over. Fain and other top officials should have their salaries reduced to \$500 a week in strike pay.

- All Wall Street investments should be sold off, along with the Black Lake resort, Solidarity House headquarters and other valuable real estate assets to raise revenue for the strike fund.

- All the money made from the sale of the UAW-GM Center for Human Resources, the UAW-Chrysler National Training Center and the income from ongoing operations of the UAW-Ford Joint Trust Center and other corporatist schemes must be used to sustain the strike.

Because Fain and the rest of the UAW bureaucrats will fight tooth and nail against this, workers should form rank-and-file committees to override them and assert the will of the membership.

The outcome of this strike will determine the fate of not only current workers, but also that of future generations. Workers will win not through toothless "stand up" strikes but through uncompromising class struggle. On every picket line and in every non-striking factory, workers must demand the holding of emergency local union mass membership meetings to discuss and vote for an all-out strike to shut the entire industry.



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