

United Auto Workers union meets in Detroit to prepare 2015 contract betrayal

By Jerry White
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The two-day United Auto Workers Special Bargaining Convention opened Tuesday in Detroit less than six months before the labor agreement covering 139,000 General Motors, Ford and Chrysler workers expires. The ostensible reason for the gathering is to discuss a bargaining strategy for the UAW in the auto industry and for its members at other private and public employers.

The event, however, was a thoroughly undemocratic and stage-managed affair, which excluded any input from rank-and-file workers. It was attended by an estimated 900 delegates, chiefly drawn from the regional and local union officialdom, long schooled in labor-management collusion and careerism. This was illustrated in the sycophantic behavior of floor delegates who began their comments by praising their UAW superiors for “inspirational leadership,” “outstanding stewardship” and even “divine leadership.”

In his opening remarks, UAW President Dennis Williams paid tribute to his three predecessors—Owen Bieber, Ron Gettelfinger and Bob King—on the podium. All three earned the hatred of auto workers by overseeing the destruction of hundreds of thousands of jobs and the transformation of US auto workers from among the highest paid industrial workers in the world to a largely impoverished workforce unable to buy the cars they build.

As a reward for banning strikes and suppressing worker opposition to job and wage cuts, the auto companies poured billions of dollars into joint committees and investment funds run by the UAW. Today the “union” is one of the largest shareholders in the Detroit-based auto companies. This operation is now run by Williams, known for imposing deep concessions on Caterpillar and other workers, including at Navistar where he sits on the truck maker’s board of directors.

Having granted the auto companies huge concessions over the last eight years, including during the 2009 restructuring of GM and Chrysler by the Obama administration, the UAW is now confronting the demands of auto workers to recoup their lost income now that the corporations are making record profits.

In particular, so-called tier-two workers—who are paid \$15 an hour compared to \$28 an hour for “legacy” workers—are demanding an end to the hated system, while older workers who have not seen a wage increase in a decade want significant raises and the restoration of cost of living adjustments.

Under these conditions, Williams and other officials paid lip service to overcoming income inequality and “bridging the gap” in wages. The latter catchphrase was used over and over again to indicate that the union would not press for the elimination of the two-tier system. Any increase in pay will no doubt be paid for through additional cuts in health and pension benefits and the further erosion of job protections and work conditions.

The convention opened as Bloomberg reported that GM and Ford are asking the UAW to create a third tier of lower-paid workers for certain lower-skilled jobs. “For the 2015 negotiations, we’re open to discussing many different solutions with our UAW partners that will allow us to continue to employ a competitive labor rate and add US jobs and investment,” Ford spokeswoman Kristina Adamski said in a statement.

Ford and GM have higher labor costs than competitor Fiat Chrysler Automobiles (FCA), which has a much higher percentage of tier-two workers. A new pay rate for lower-skilled jobs would help the automakers bring down labor costs as they compete with Asian and European rivals that pay less at non-union US plants, the Bloomberg report said.

This is, in fact, the scheme that was imposed at the Lear Seating factory in Hammond, Indiana last year. While claiming that they had eliminated the two-tier system, the UAW agreed to the creation of a new class of “subassembly workers” earning \$11-12 an hour, involving nearly half the workforce. Meanwhile, the wages of tier-one workers were capped at \$21.58—a rate that would be reached by tier-two workers after four years.

For decades, the UAW has handed over concessions in the name of protecting corporate competitiveness and

profitability. Workers have never recouped the losses, which the UAW claimed were temporary even under conditions of booming profits. Instead, the corporations used every giveback—the elimination of the eight-hour day, the expansion of temporary and contingent workers, the gutting of wages and traditional pension and health care benefits—to demand even more, while the UAW pit workers in a fratricidal competition against each other.

The main resolution at the convention declared, “We have rejected—and continue to reject—a ‘cookie cutter’ approach that ignores an employer’s financial, cultural and historical circumstances.” In fact, among the main demands in the resolution is for the further integration of the UAW into the structure of corporate management, citing German co-determination, where the IG Metall union sits on corporate boards.

Insofar as the interests of the rank-and-file workers found any reflection at this bureaucratic gathering it was only in the concerned comments by delegates over the real possibility of a rebellion against another dirty deal by the UAW.

A delegate from UAW Local 182 at a suburban Detroit Ford Transmission plant told this reporter that it would be “tough bargaining this year.” He made it clear, however, that the conflict would not be with the corporation but with the thousands of new workers being hired at the plant and older workers demanding their first raise in a decade. “They want to get rid of the two tier system, but the companies don’t want to get rid of the second tier—and why would they? They already have it in writing, and it yields huge savings on labor costs. We have to be flexible.”

Another delegate from Local 14 in Toledo, Ohio said, “I’m sorry to say it, but I think this is going to end in revolution. When you have 20 year olds taking jobs on the line at \$15 dollars an hour and no benefits, they are not going to be happy about doing the same work for half the pay.”

The UAW is now being squeezed from the top and the bottom. The Republican Party in particular is seeking to use “right to work” laws—which make dues payment voluntary—to cripple the unions financially and undermine the Democratic Party. At the same time, workers from below see the union as little more than a business that plays no role in defending their interests.

Under these conditions, the very existence of the UAW depends on proving its value as a labor police force for the ruling class. Throughout the convention, UAW leaders repeated the mantra that collaboration with the unions was essential in boosting the productivity and profitability of the corporations and forestalling an explosion against social inequality in America.

In his comments to the convention, Obama’s Labor

Secretary Tom Perez warned about the danger of those “who don’t have enough to eat” in America, saying they are “really getting hot.” Perez, who last month worked with the International Longshore and Warehouse Union (ILWU) to block a strike by 20,000 West Coast dockworkers that could have linked up with striking oil workers, warned about the danger of Republican efforts to eliminate the unions altogether.

With income inequality at all time highs, Perez said, the president was against right-to-work laws in states like Wisconsin, Indiana and Michigan. The UAW and other unions, he claimed, promoted “inclusive capitalism” and “shared prosperity.” He urged the UAW to work with “forward-leaning employers” who promoted “worker participation programs” and “employee stock ownership plans”—i.e., the scams long used by the unions in the airline and steel industry to rob workers of their pensions.

Significantly Perez said he had personally worked hard with Volkswagen to get the UAW into its Chattanooga, Tennessee plant, where workers defeated a UAW organizing drive. He said “co-determination” was in the DNA of the Germany company, which understood it could be more “successful” by cooperating with the unions.

Perez then summed up his notion of “collective bargaining” and the role of the unions. He alluded to recent scientific study, which he said showed, “Tolerance for pain increases when you hold hands. Painful things don’t hurt as much. When we hold hands with employers the way you did in 2009, we go further,” he concluded, pointing to the devastating concessions imposed on auto workers by the auto bosses, the Obama administration and the UAW.

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