

UAW executives get pay raises as worker pay tumbles

By Shannon Jones
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Salaries of executives of the United Auto Workers rose sharply in 2016 despite the continued stagnation of union membership and overall decline in workers' pay, according to the most recent public filing by the union. The income disparity in the UAW further highlights the anti-worker character of this organization, whose whole effort is directed to disorganizing and sabotaging the class struggle on behalf of the auto corporations and Wall Street.

The highest paid official in the UAW, its president Dennis Williams, received a salary of \$171,087 in 2016, a gain of 7.6 percent from 2015. Williams also pocketed some \$13,072 in expenses, bringing his total compensation reported to the US Labor Department to \$184,159. Gary Casteel, UAW secretary-treasurer, pulled in a salary of \$158,781, a 7.3 percent increase over last year. With expenses, his total compensation hit \$172,757.

Meanwhile, Norwood Jewell, UAW vice president for Fiat Chrysler, took in \$154,142 in salary, an over 7 percent rise. He also received \$11,185 in benefits, bringing his total reported compensation to \$165,327. Cindy Estrada, head of the union's GM department, got \$153,772 in salary, a 6.2 percent increase. Jimmy Settles, head of the Ford department, got \$155,454 in salary and \$13,213 in expenses for a total of \$168,667.

It should be noted that in the 2015 contract between the UAW and the Detroit automakers, senior workers received just a 2 percent annual pay increase, after suffering a 10-year pay freeze.

Other top UAW officials got similar increases. Over 400 international staff members, in fact, took in over \$100,000 a year, including Justin Jewell, the son of Norwood Jewell, who received \$130,344 in salary and benefits in 2016 for his duties as a "servicing rep." Another of Jewell's sons, Derik Jewell, is also on the Solidarity House payroll at a salary of \$20,354.

Jewell oversaw the betrayal of the Fiat Chrysler

workers in 2015, and most recently negotiated the sellout deal pushed past the opposition of Caterpillar workers, which includes desultory raises, increased health care expenses and sanctions the closure of the Aurora, Illinois plant, wiping out 800 jobs.

These figures, "modest" by the standards of the corrupt American trade union bureaucracy, are supplemented through other sources of income, not generally publicly reported, such as director fees, payouts from various union-management joint committees and administrative fees related to the union-controlled, multi-billion-dollar retiree health benefit trust fund. For example, Williams receives a reported \$120,000 a year as a member of the board of directors of trucking manufacturer Navistar Corporation.

Despite the fact that total UAW membership has collapsed to 415,963 since reaching an all-time high of close to 1.5 million in the late 1970s, the assets and revenue controlled by the union apparatus have been largely insulated. Total assets of the UAW increased from \$945.0 million to \$997.3 million in 2016, although net assets declined due to charges related to retiree health care for the union's international staff. The UAW agreed to a substantial payout in relation to a lawsuit by a UAW clerical staff retiree who objected to unilateral changes the UAW made to health care benefits. UAW assets included \$553.6 million in marketable securities.

The UAW doled out a miserable \$5.8 million in total strike benefits. The union has chiefly ended strikes and, in such cases as the 10-month-long lockout at Honeywell in South Bend, Indiana, the UAW keeps embattled workers on starvation rations to break their resistance to management's demands.

This compares to the lavish perks handed out to UAW staff. For example, a quick look at the financial disclosure turns up such as items as \$65,788 paid to Thousand Hills Gold resort in Missouri for staff meetings, \$66,299 to the

Motor City Casino in Detroit, \$63,255 to the Sawmill Creek Resort in Ohio and \$198,781 to the Sirata Beach Resort in St Petersburg, Florida.

For these “services,” UAW members paid a total of \$182.5 million in dues in 2016, an increase of 8.4 percent from 2015. In 2014, the UAW increased dues by 25 percent, claiming this was needed to bolster the strike fund in the run-up to the 2015 contract negotiations for 140,000 GM, Ford and Fiat Chrysler workers. Far from calling any strike, the UAW spent its resources beating down a near rebellion by the rank and file, and imposing sellout agreements, which kept labor cost increases below the rate of inflation and expanded the use of throwaway temporary workers. The UAW has predictably ignored demands by workers to lower their dues.

The UAW also collected \$15 million in interest and dividends and \$47 million in “other” income. This includes substantial payouts from the auto companies in the form of reimbursements for the administration of “training” programs. The UAW received \$12.7 million from the Ford Training Center, \$10.3 million from the GM Training Center and \$7.6 million from the UAW Chrysler National Training Center.

A source familiar with the finances of the UAW told the *World Socialist Web Site*, “In the running of these joint programs the union is required to contribute equally with the employer. But it has not worked out that way. From GM’s perspective, they are buying the union.

“Just the GM Joint Training Center alone is richly financed; even during the bankruptcy. They were boasting they had spent \$3 billion on health, training and safety programs in the period 1982-2000 at the GM center. There was in excess of \$100 million a year being run through there.”

The payment by management of financial subsidies to unions is illegal under terms of the 1935 National Labor Relations Act, a New Deal reform that sought to bar the creation of company, or “yellow” unions. The auto companies and UAW have long circumvented this ban through the setting up of joint union-management programs and committees.

This writer made a calculation of the average hourly pay of the typical UAW dues payer. This was based on the union’s reported membership divided by total dues income based on a monthly dues assessment of 2-½ hours pay. That figure comes to just \$13.97 an hour in 2016, a virtual poverty-level wage, and less than the \$15 an hour minimum wage enacted in some localities. The 2016 numbers compare to a calculation of \$15.05 for 2007,

indicating a more than 7 percent decline over the past nine years, even larger when taking into account inflation.

Meanwhile, the reported salary of top UAW officers has risen sharply over the past decade. For example, UAW President Ron Gettlefinger took in a base salary of \$145,125 in 2006 compared to Williams’ \$171,087, a near 18 percent rise.

While the total in the UAW strike fund increased marginally from \$590.2 million in 2014 to \$632.6 million in 2015, the total is still far less than the over \$1 billion in the strike fund in 2001. The decrease is not due to the fund’s depletion due to strikes. As pointed out above, there have been no significant struggles conducted by the UAW in decades. The looting of the strike fund has taken place through the diversion of money to fund the salaries and expense accounts of the UAW’s bloated staff.

Beginning in 1980 the UAW amended its constitution to allow taking money earmarked for the strike fund to underwrite the “general expenses” of the UAW international. Subsequent changes to the UAW constitution allowed for the continued pillaging of strike fund assets.

Another huge source of revenue for the UAW, though not listed on its official books, is income related to the administration of the retiree health care trust fund, a nest egg of some \$60 billion. For 2015, the reported operational and administrative costs for the retiree health care trust fund were \$257 million for GM retirees alone—an enormous sum of money—for which, at the time of this writing, this author is aware of no accounting.

This brief survey further underscores the correctness of the assessment of the UAW and the broader trade union movement made by the Socialist Equality Party and the WSWS. The UAW is a union in name only. It is a business entity that serves as a vehicle for a corrupt and parasitic bureaucracy that enriches itself by assisting the corporations in the ever-greater exploitation of the working class.

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>