

## Live Bait & Ammo #44

Speculation about a UAW contract is like religion: everyone has an opinion but only the dead know the outcome.

Every player in the Temple of Casino Capitalism has an angle, but only one bet is certain: the House was built on the luck of losers. The big winners never gamble, they make deals.

"Experts" like Sean McAlinden collect speaking fees from the likes of GM/UAW joint funds. So you know whose horn he blows.

Speculation is cheap. Let's talk about what we know.

The UAW Rollover Caucus has a history of trading jobs for wages. While wages in Big Three assembly plants remain high, the membership of the UAW has plummeted from 1.5 million in 1979 to less than 700,000 today. Despite the deadly nosedive the bureaucracy of the union has swollen like a zeppelin. Capital accumulation at Solidarity House has increased in inverse proportion to the decline of dues paying members. The office rats will tell you "Organizing is the lifeblood of the union" but the books tell another story.

How does a union acquire more capital as the membership declines? By forming a partnership with the company, avoiding strikes, and selling out the new hires. The payoff is Joint Funds - a pipeline of cash from the Corps to the porkchoppers at Sold Our Dignity House. On top of that the International skims 75% of the interest from our Strike Fund for Organization, Education, and Communication. Strikers beware. Solidarity is not Forever in the UAW. They'd rather cut their losses than drain the fountain of income. They run the union like a corporation. International Secretary-Treasurer Bunn reported that the International "earned a total of \$10,845,364.72 on its investments" in the first three months of 2003. I could hear the porkchoppers burp when I read that one.

The stated goal of company/union joint programs is to make the Corps "more competitive". The unstated method is outsourcing, subcontracting, and speedups. Workers in IPS have been sacrificed on the altar of competitiveness to keep the

gods of capital smiling on assembly factories. The smile is wearing thin. A worker eats and is satisfied, but the gods of capital are always hungry.

#### Path of Least Resistance

Work outsourced from assembly factories to lower paying parts suppliers is organized by the UAW with the aid of neutrality agreements, and brotherly assistance from the Big Three.

Neutrality and partnership aren't free. The settlement at Johnson Controls last year included a neutrality agreement and a "no strike pledge". Before the ink was dry Bob King, UAW Vice President of Organizing, declared a "partnership" with the company.

A Chrysler plant in New Castle, In., was sold to Metaldyne despite a no sell clause in the contract. The Rollover Caucus negotiated a wage cut of \$10 per hour to ice the deal and win "neutrality" at other Metaldyne facilities.

At American Axle in Three Rivers, Mi., the Rollover Caucus reopened the contract to extend an invitation of a third tier wage to new hires. The members turned it down. So the Rollover Caucus reshuffled and came back with the same old crap in sparkley shrink wrap: wage cuts for new hires and perks for the privileged voters. The Rollover Caucus had learned their lesson. Instead of giving members adequate time to study the new proposal and mount a Vote No campaign, they fast tracked the sellout of the next generation. It worked. The highest paid CEO in Michigan, Dick Dauch, just got richer.

The Rollover Caucus colluded with management to outsource seat covers from Visteon to Johnson Controls where "new" UAW members are paid \$12 per hour. The Rollover Caucus also allowed Visteon to open five new plants at wages far below the Big Three standard.

At a Lear plant in Grand Rapids, Mi., the Rollover Caucus reopened the contract to give the company a wage cut. Lear's second quarter profits were up 22% from last year.

Bloomberg News reported on the UAW strategy: "In seeking to gain members at auto-parts companies, the UAW also accepts lower wages in factories that make lower-profit items such as wire harnesses, rather than insisting on the same wage

scale in every kind of component plants nationwide, said Bob King, the union's organizing director. The UAW had to scrap its strategy of insisting on a single universal wage after Toyota Motor Corp. and other competitors won enough market share to keep the U.S.-based automakers from passing higher wage costs to customers, King said in an interview. "That's reality and we have to deal with it."

No speculation required. The trend is clear. IPS workers can expect to make sacrifices so that wages and benefits can be maintained at the Big Three and Gettelfinger can claim "Victory!", "Historic Gains!", "Job Security!", "No Takeaways!".

When you spend more time on the golf course than the shop floor, you start to see "reality" through the boss's eyes. Competition not solidarity becomes the paradigm. Foreign transplants do not pay less than their American counterparts. The dull competitive edge of the Big Three is caused by extravagant rewards to CEOs, unjustifiably high profits for the leeches who live off unearned income, lackluster designs, and second rate engineering.

Who needs a union to bargain for lower wages? How are we supposed to cooperate with the bastards who cut our wages, gut our benefits, export our jobs, close our plants, and rob our pensions?

There are more UAW members in IPS than assembly. There is more potential for organizing Independent Parts Suppliers than assembly. But the UAW has become a case study in elitism not equality, fraternity, and solidarity.

The Hand is Quicker than the Eye

Gettelfinger has made Health Care the top priority. Just the facts: COLA Diversion is legalese for money diverted from wages to offset the cost of Health Care.

COLA Diversions for Health Care: 1964.... 2 cents per hour

1967.... 2

1976.... 6

1982.... 16

1984.... 13

1987.... 00

1990.... 14

1993.... 22  
1996.... 2  
1999.... 00

Note: all figures are actual, not adjusted for inflation. The accrued value is much higher. Total COLA diversion not adjusted for inflation is 77 cents per hour. For overtime it is \$1.15 not adjusted for inflation. This list of concessions does not include the eight contracts in which Travel COLA was given up. Travel COLA is COLA earned in the last quarter of the contract and conceded to the Corps. Recall what Travel COLA was worth during the inflation of the 1980's? This list also does not account for the concession of withholding health care benefits from new hires, a boon for the company and a slap in the face to solidarity.

In simple English COLA Diversion amounts to a health care premium. Not adjusting for inflation, or accounting for overtime, or calculating Travel COLA concessions, accumulated COLA diversion amounts to a minimum of \$1,500 per year. The real value to the company is much higher. We can expect other such takeaways in drag. When The Finger signals to the company that one area is not open to concession, the unstated message is: Every Thing Else Is Up For Grabs. Hold on to your pants, we're in for another big diversion.

#### Voter Beware

In 1999 UAW members were fast tracked into ratifying a contract that included increased co-pays on Health Care and the unprecedented transfer of pension credits from GM to Delphi, a company that didn't even exist prior to 1999.

A letter in the uncut version of the Delphi contract designated "Not to be Published" stated that International Reps "all of whom worked at Delphi plants or other previously divested businesses when the leave of absence was initiated, would nevertheless continue to be employees of General Motors for purposes of accumulating seniority."

In other words the pensions of International Reps from Delphi plants won't be turned over to Delphi as our pensions were. What was good enough for the peons wasn't good enough for the Royalty of the UAW. Furthermore, "The Parties agreed that these individuals...that hereafter go on leave pursuant to paragraph 109(a) will continue to be treated as part of GM for seniority purposes." That is, future

appointees to the International will also get the GM pension rather than the Delphi pension.

At the International Executive Board meeting in May 2003, Shoemaker reported that 7,359 members were on "UAW leaves" from GM.

UAW members should demand to see the whole contract not just the Highlights. The internet makes it feasible to provide members with an opportunity to examine the contract in its entirety. Members should also demand adequate time to study and debate the merits of the contract. Fast track ratification is a red flag. Members should Vote NO until they KNOW just what they are voting for. Demand ratification rights that show respect for union members.

## Contract Demands

### #1: Equal Pay and Equal Rights

The defense of new hires and the abolition of temp workers (the Jim Crow section of the UAW) is essential for the preservation of the labor movement. New hires deserve Health Care from day one. Equal pay and equal rights, not concessions, will galvanize the unorganized.

### #2: Pension

Gettelfinger has endorsed laws that would permit reduced funding levels for pension plans based on studies that show blue collar workers die younger. If we can expect a shorter life span because of the work we do, 25 and out, not reduced funding, is in order. The Rollover Caucus insists that lump sum payments negotiated from one contract to the next are better for retirees than COLA on pension. In that case defense of new hires and pension protection go hand in hand. The security of our retirement can be measured by the strength of the membership we leave behind. Equal pay for equal work. All temps should be made permanent with full seniority from the date of hire. No UAW member should ever be deprived of health insurance. Dignity is not negotiable.

The International staff has COLA on pensions and special supplements to guard against social security age creep. We want the same protections. Like Dave Yettaw always said, "If it's good for the top floor, it's good for the shop floor."

### #3: Benefits

Health Care without Mental Health Parity is a prescription for discrimination.

Furthermore, the current system of different options for different regions is unequal, unjust, and counterproductive to the movement for universal health care. UAW members deserve a single payer health care plan just like the International staff. We want Blue Cross with 100% reimbursement just like the International staff.

A COLA diversion of .25 cents would amount to \$10 per week at straight time and a minimum \$520 premium payment per year on top of what we have already given up.

The corporations say they can't afford health care benefits, but nineteen cents for every hour worked goes into joint funds, plus the overtime stipend which can amount to as much as five dollars per hour. There are hundreds of millions of dollars available. These funds are part of our collective bargaining agreement. Instead of soft jobs for union cronies and monuments to jointness, the money could be used for health care. The money could be used to ensure our retirement package would not include escalating co-pays. The money is there and they owe it to us.

### #4: Outsourcing

Job Security agreements in UAW contracts have more loopholes than a tax attorney's code of ethics. Rick Haglund reported in the Grand Rapids Press 5/21/03: "Last year, 7,500 U.S. hourly workers retired or otherwise left General Motors Corporation, but only 800 were hired."

Is that a Secure Employment Level [SEL] for UAW members, or a prepaid funeral arrangement? There were 44,000 UAW members at Delphi in 1999. There are less than 30,000 today. At that rate the only UAW members who will be left at Delphi in a decade will be International staff "accumulating seniority" at GM.

We should demand that the Big Three can only outsource to suppliers where wages and benefits are equal to the Big Three and the workers are unionized. We should demand a National Pattern Contract for all autoworkers, not just the elite members of the Big Three. That effort should begin by maintaining pattern

agreements at the spinoffs, Delphi, Visteon, and American Axle. We should work toward a common expiration date and a pattern agreement for all autoworkers. Our strength is in solidarity, not competition and concession.

#### #5: Raises

If CEO's can be rewarded for failure, workers can be rewarded for success. Raises should keep pace with productivity gains. We've earned it. 3% is a minimum expectation. COLA should not "travel" or be "diverted" or rolled over in any other confounded language.

#### #6: Vacation

Canadians, Europeans, and Japanese earn higher wages and more vacation time than Americans. Let's get competitive and match them time for time and dime for dime.

#### #7: Solidarity

We should demand that all Local agreements be ratified before the National is ratified in order to maximize leverage at each Local Bargaining unit. We should discourage competition between Locals and enforce Article 19 Section 6 of the UAW Constitution which prohibits Locals from undermining superior contracts with sweetheart deals.

#### #8: Right to Strike

The right to strike is sacred. We should never give up the right to strike or the right to bear arms. We should expand the right to strike during the term of the agreement to include outsourcing and plant closings. Union members are on the front lines of the War against Workers. We must fight to save our own jobs and the jobs of the next generation of American autoworkers.

#### #9: A Strong Union

Our goal for this contract is not for a nickel here and a dime there. Our goal is a strong democratic union that will fight back for workers' rights, even those who haven't been hired yet. Our goal is a union that will challenge the status quo. We are sick and tired of one health care program for the loafers and another for workers; one education for the loafers and another for workers; tax breaks for the loafers and cuts in social programs for workers; golden parachutes for the loafers

and prison for workers. We want a union that responds militantly against the War on Workers.

I have no illusions about the chances of UAW members overthrowing the office rats who negotiate the terms of our indentured servitude any time soon. But there is hope. The Lean Just-In-Time system is fragile. A little Delphi plant in Coopersville, Mi., that supplies fuel injectors to GM could topple the fortress like a house of cards. In Toledo, Ohio the wagons are circling the Jeep plant where one of the hottest selling vehicles in America, the Jeep Liberty, is made. Local 12 was excluded from the Chrysler Council. Cut from the herd, they are forced to go it alone. Are they being singled out like a sacrificial lamb? An example of cooperative concessions? Jeep workers aren't used to rolling over. If Jeep sinks this contract, it will be the shot heard round the world.

stay solid,

UAW Local 2151