

Live Bait & Ammo #39

Looks like we're in for another spin-off. Delphi's latest contrivance, Automotive Holdings Group, is described as "a separate division for the company's under-performing businesses" which reportedly "will be sold, closed or dramatically downsized if they don't become profitable." The hit list includes ten plants in the US totaling "11,800 hourly and salary workers." Dennis Virag, president of Automotive Consulting Group Inc., said, "It's an awfully strong message that you need to get your house in order, otherwise we'll divest the facilities or shut them down." With an underfunded pension, a sluggish economy, and a stock market that dips every time Bush parts his lips, it's unlikely Delphi will find buyers.

Delphi's 2002 Fourth Quarter report claimed it had completed 98% of its plan to eliminate 6,100 positions. By the end of March 2003 when AHG makes its first quarterly report, Delphi expects to have eliminated 17,500 positions all together. Do the math.

17,500 minus 6,100 equals a figure almost identical to the number of positions presently corralled in the holding pen. Sounds like our brothers and sisters are being led to the slaughter house.

Delphi has sold or closed about \$8 billion worth of businesses over the last ten years. In the Dayton, Ohio area alone, Delphi has eliminated 7,000 jobs, almost half their workforce, in the last five years. Delphi isn't so much an automotive powerhouse as an industrial plague. In the United States employment at Delphi has proved terminal in about fifty percent of cases.

As a director of the Center for Human Resources, UAW Vice President, Richard Shoemaker, has advanced information regarding the sale, closure, spin-off, or outsourcing of any business in the GM/Delphi system. We know from past experience what he does with that privileged information. He clams up and rolls over. In strict adherence with partnership agreements he aids and abets the bloodletting that corporos call 'rationalizing' and union members call 'cannibalizing' the business.

In 1994 Shoemaker negotiated the agreement governing the sale of five GM/UAW plants that became American Axle. UAW members at AA resisted attempts to set

up a two tier wage, but two Locals eventually broke from the pattern. They agreed to a two tier wage in exchange for new work. Now they are being pressed to ratify a third tier despite reports in Bloomberg News that "American Axle Has GM Over a Barrel." The report stated: "As automotive supply contracts go, the agreement that American Axle & Manufacturing Holdings Inc. signed with General Motors in 1994 doesn't get much sweeter. Under the seven-year pact, which has been renewed, General Motors is all but prohibited from buying axles, drive shafts and other critical components used in its sport utilities, pickups and other light-truck models from any company but American Axle. Hence, the supplier has unusual leverage to maintain and even raise its prices." Under these circumstances, conceding another tier is more like being kicked down the stairs than negotiating an agreement.

Shoemaker's feigned surprise over the Delphi spin-off in 1999 was ludicrous. What we know for sure is that promises made at the Bargaining Convention to require GM to retain 51% of Delphi stock were never delivered. We saw no evidence of resistance to the spin-off. The separation of American Axle and Delphi from GM amounted to wholesale outsourcing.

Is another spin-off in the works? Is Shoemaker negotiating a separate agreement for AHG? Will parity be maintained? Or will UAW members be kicked down the stairs a few more tiers?

The New York Times reported that Battenberg has closed or sold 82 plants. Delphi may be a one trick pony but Wall Street loves the little jockey. On February 11, Battenberg will tour a Delphi plant in Athens, Alabama with his stable boy, Dick Shoemaker, in tow.

Is it partnership or is it collusion?

With each new contract we are sold the Secure Employment Level formula, a sop for our job security worries. The corpos never live up to the SEL agreement and the International never lives up to their obligation to enforce it.

Is it partnership or is it collusion?

Last year in the course of a strike, the UAW won neutrality agreements from Johnson Controls Inc. The agreement included a no strike pledge. In other words,

the UAW gave up what proved to be its most effective organizing tool in the first set of negotiations.

"One of the great successes at JCI is that management and employees have a partnership," said UAW Vice President of Organizing, Bob King.

Is it partnership or is it collusion?

It requires uncommon courage to organize a union. If employees are willing to risk the wrath of management in an organizing drive, there must be a compelling need - a cruel, despotic, tyrannical boss. How would you feel, if after taking the risk to organize, your new union rep declared a 'partnership' with the s.o.b.?

Is it partnership or is it collusion?

Magna Inc., one of the largest automotive suppliers in the world, promptly jumped on the bandwagon. They asked the UAW to organize them, too. Why should they volunteer to be organized by the UAW? Most of the work Magna as well as JCI, Lear, and other suppliers rustle are jobs outsourced from the Big Three. There's the trade off - the promise of an open range.

Our jobs are outsourced to low wage suppliers. Then, the International declares a victory when they organize them. The issue here is the restructuring of the auto industry and the UAW's response to the challenge.

Is it partnership or is it collusion?

John L. Lewis once said, "Labor and management may be partners in theory, but they are enemies in fact." Neutrality agreements aren't free. Partnership has a price. In each new contract with the Big Three the UAW International declared: "We have strong language against outsourcing." For all the good it's done, they may as well have said, 'Whistling will keep the wolf away.' Warren Davis, elected Director of Region 2, proposed an outsourcing resolution which stipulated that subcontractors be required to meet the "economic conditions, including wages and benefits, provided in contracts between the UAW and the Big Three." His resolution didn't jibe with the union/management partnership scheme. At the UAW Constitutional Convention last June Davis was ousted in a decree that

dissolved his entire Region. A warning to all who would rebel against partnership and collusion.

The cost of Big Three wages is offset by outsourcing at the expense of underpaid workers at Independent Parts Suppliers. More sacrifices are demanded each year. AHG is on the chopping block now. Who's next? How many tiers are there? What's the pay off?

Is it partnership or is it collusion?

Stay Solid,

UAW Local 2151