

Live Bait & Ammo #149: The Sucker Clause

"Companies that crank out gears, hoses, gauges and other parts for U.S. automakers are making a comeback." Tom Krisher of The Associated Press

Moody's Investors Service revised its outlook for U.S. automotive parts suppliers to positive from stable on Tuesday, citing growing demand for vehicle parts as sales rise in a recovering economy. -Reuters

May marked the seventh straight month of year-over-year sales increases for the auto industry. "Clearly we are in a recovery," said Jeff Schuster, executive director of global forecasting for J.D. Power.

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It's hard to ignore the good news coming out of the auto industry lately. Unless you're a cutthroat capitalist with a company union in your pocket. In which case you can make the International twist arms and browbeat the Local Shop Committees into fighting for wage cuts rather than raises.

It's bad enough that the International lowers union standards, but at the GM-Nexter plant in Saginaw the UAW International is acting like a broker rather than a representative of workers' interests. The International is trying to help GM sell the plant. Who gets the commission?

Where in the UAW Constitution does it state: The Object of the Union is to sell workers by negotiating weak contracts with low pay and poor benefits?

The International doesn't even call it a contract. They call it a "Memorandum of Understanding". Sounds like something "Friends with Benefits" would devise.

The International presents this memo like a circus sideshow. There are so many distractions involving large sums of money the audience doesn't notice the pickpocket action. \$20,000 here, \$40,000 there, \$5,000, \$25,000, \$50,000. It looks free. It sounds easier than answering an email from a Nigerian who needs your bank account number to help transfer \$13,000,000 from a dead man's chest. It's free. All you have to do is agree to work for a bag of dirt and a hamburger made of sawdust.....every day for the rest of your life.

A common scam called the short con involves an offer to change an amount of money with a clerk or a bartender, and then making change back and forth again to confuse the mark as to how much money is actually being exchanged. For example, the con offers the mark \$5,000 in exchange for a pay raise, wait, let's make that two raises, and, oh yeah, that shift premium, and next year's bonus, and, hey, we'll rearrange work schedules so you don't have to work all that overtime.

In this case, it's not a short con, it's a long con. The money upfront looks large compared to the raise in the same way a nickel looks bigger than a dime. But the long con isn't about nickels and dimes. The long con sets up the mark for a much more costly hit. The value of the raise is compounded by time-and-half, overtime, shift premiums, and bonuses that are based on a percentage of earnings, as is SUB-pay. Not to mention social security and the fact that the raise continues to accrue in value year after year.

The raise buy back is essentially the old short change trick with long term consequences.

Likewise the buy down. It doesn't take a calculator to figure how quickly you come up short on any of these buy down packages. But what is most disgusting is that in brokering the sale the International has intentionally deleted the "successor clause". All UAW contracts have a successor clause that requires a new buyer to uphold the terms and conditions of the contract. Except this one. This one has the sucker clause.

This is the dirtiest, most traitorous UAW contract I have ever seen.

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