

Live Bait & Ammo #125: They're Closing In

The Detroit Three cite legacy costs as their biggest competitive disadvantage. Their solution? Add to the legacy costs by retiring more workers faster with buy-out packages subtracted from the pension.

When the market crashed the government loaned the D-3 money on condition that they close factories, cut jobs, and slash wages. Then, the government passed a stimulus bill to create jobs.

GM estimated its retiree health care costs at \$50 billion and committed half that amount—\$24.1 billion (and promises)—to a union trust fund [VEBA]. Now the government demands that 50% of the 50% underfunded trust be replaced with stock worth less than six rolls of toilet paper.

It's illegal for a company to invest more than ten percent of pension assets in their own stock. Why should a VEBA be different? Over and above the question of legality, the government's proposal compromises the union's ethical capacity to represent workers. The union will have a vested interest in the company's stock. But you haven't heard the punch line.

GM is planning a government run bankruptcy. The union won't be left with an investment for retiree health care. The union will be left holding a bag of chicken necks.

And the slapstick at Chrysler makes the situation at GM look like romantic comedy.

Government mandates neglect the fact that the Con Caucus already ratified contracts that will ratchet working conditions down to nonunion levels by 2011. Well actually, the company-government didn't neglect the Con's con, they just want to pop the clutch and hit the wall at maximum rpm.

The government is strong-arming workers into accepting terms that will achieve the benefits of bankruptcy without litigation. The wage scale will become nonunion; the VEBA won't last a decade; on demand will replace the eight hour day; the pension is underfunded; the D-3 will close dozens of plants and import half the cars they sell in the US; all without the hassle and haggle of bankruptcy. What the hell is there to vote for? More plant closings?

A real union solution would advocate for all workers not just an isolated gaggle in the gated community of the UAW elite. A real union would reject the VEBA demolition derby and pit all its energy into John Conyer's bill [H.R.-676] which would insure everyone equally, not just the privileged. A real union would resist buy-outs and job cuts by demanding a short work week to offset reduced demand.

The company-government-union cartel prefers to reduce labor costs by curtailing Supplemental Unemployment Benefits [SUB], thereby pushing more workers into early retirement or foreclosure. The plan will result in more desperate workers lining up for fewer desperate jobs. It's a bust in the chops to the working class but a boon to bankers and bosses as high unemployment depresses wages and curbs inflation. Screw that.

We deserve a union solution: a collective action that unites rather than divides workers.

If the union demanded a short work week in exchange for SUB, all affected workers would remain employed and equal. When the market goes up, workers would return to a forty hour week without diminished wages. A real union could back the talk with a one day walkout and send an army of unemployed workers on buses to Washington with a petition to convert closed auto plants into nationalized manufacturing centers for energy independence. But don't expect the Caucus that negotiated two tier to unite the union. Collective action is not their agenda. They're collaborators not organizers.

We can debate economics until the pyramids collapse, but there's a chronic and undeniable tic in our current fix: class conflict. Bankers get handouts without conditions, but a blue collar industry in need of a loan—because reckless bankers destroyed the economy—gets boiled in a vat of Republican venom and ordered to return for more of the same in ninety days.

I'm no fan of management. The D-3 are grossly mismanaged and over compensated. They deserve a dressing down. But workers aren't responsible for the failing economy or the sinking of the flagship of American industry. Bankers, bosses, and bureaucrats failed, not workers. It's like the Pentagon procurement racket. War profiteers get no bid contracts worth hundreds of millions of dollars. Soldiers get shot, killed, traumatized, and maimed. It's a bad deal. We deserve better.

We deserve a union that represents all workers everywhere equally including our brothers and sisters in arms. Bring our soldiers home, now. We've found the enemy. They're closing in.

GreggShotwell@aol.com www.soldiersofsolidarity.com www.factoryrat.com