

Live Bait & Ammo #166: Autoworkers Under the Gun

It's the best of times for the worst of cons. Auto negotiations have begun with a backslapping fanfare that has to scare every working man, woman, and fractional equivalent of a human being better known in this era of contractual servitude as Ms. or Mr. Temp.

The Detroit Three are intent on takeaways disguised as refreshments. Profit sharing with a new improved formula: more bubbles, less calories, and a nostalgic sweatshop flavor, as in, failure to meet company goals will trigger deductions. Concession refreshments will likely include a buffet style health insurance plan promoted with a 'choose your individual life style' banner and more pickpocket expenses than a free credit card from Bank of America. And just to keep up the competitive momentum: a third tier of low wage workers designated temporary but promised a chance in hell to become permanently impoverished.

Profit sharing is a hoax. Profit is what capital extracts from labor, not what it shares with labor. Shares are what CEOs are rewarded for screwing workers. A union leader who promotes profit sharing as a way for workers to achieve economic justice is nothing but a corporate shill with a cheesy smile and suitcase full of cash laundered by the Center for Human Resources, an s-corporation legally independent of GM and the UAW but operated by GM and UAW officers for mutual tax exempt benefit. [*UAW Incorporated: The Triumph of Capital*, by Thomas F. Adams]

Perhaps we should demand King Bob & Co. apply the profit sharing formula to themselves and earn raises based on a percentage of raises negotiated for UAW members they purport to represent. [See S.O.S. Bulletin #9 at www.soldiersofsolidarity.com for raises the Concession Cons awarded themselves while workers went without.]

The assertion that UAW members do not pay health care premiums is a lie. Between 1976 and 1999, 73 cents—not adjusted for inflation—was diverted from cost of living raises to pay for health care. Gettelfinger negotiated an additional 79 cents in COLA diversion to offset the cost of health care. UAW members sacrificed a 3 percent raise in 2006 which averaged 83 cents for a total of \$2.35 per hour *not adjusted for inflation*.

The 2007 UAW contracts donated another 10 cents per quarter to help pay for health insurance and then COLA was eliminated in 2009. On top of that the cost of medical care was deducted from cost of living calculations beginning in 2003 because UAW members allegedly don't pay for health insurance. It's a lie. A damn dirty lie. UAW members have always paid for health insurance but the cost has been concealed because it was taken out of future raises and COLA calculations. UAW members easily pay three bucks an hour for health insurance *not adjusted for inflation*. That's \$120 per week—over six grand a year—not including over time, and not, I repeat, *not adjusted for inflation*.

The only thing we can commend King for in these negotiations is his blunt honesty about the goal: to make the companies more profitable. The song and dance about creating jobs in the USA by curbing wages, plucking health care savings from workers' pockets, and bilking pensions is straight out of the Tea-publican play book.

You didn't hear me wrong. I said bilking pensions. I'm not reading tea leaves, I'm using uncommon sense. The no strike clause had a purpose above and beyond rendering Bob King a handmaiden for corporate wish fulfillment. GM has always argued that their biggest burden in comparison with foreign transplants was legacy costs. Between 2005 and 2008 the pencil pinchers proposed a solution to their chronic book cooking imbalance: they added to the legacy cost by enticing approximately 50,000 GM workers into retirement. (GM-Delphi retirees were dumped on the PBGC)

You can't have it both ways. You can't say that legacy costs are the problem and that adding to the legacy costs is the solution. Unless . . .

Ever wonder how they intended to balance the unaccountable with the actuarial?

In 2005 GM claimed that pensions cost them \$675 per vehicle [http://www.carlist.com/autonews/2005/autonews_131.html]. Considering that most of the 50,000 workers jettisoned in the last six years were too young for social security, GM is making maximum pension payments and selling fewer cars. You don't need a calculator to know which way the scale bows anymore than you need a Dylan fan to know which way the wind blows.

Nonunion transplants have zero legacy costs. The stated goal of 2011 negotiations is parity with nonunion transplants. You can't reach parity simply by screwing new hires. Toyota already does that with a core of permanent temps and there's not a lock nut in the shop to stop them from tightening the screws.

Defined benefit pension as we know it today is D.O.A. in 2011. Workers who deny pensions are on the chopping block have all the optimism of bums who sleep on railroad tracks.

From here on out workers will be offered a cash balance plan which is a legal maneuver for companies to reduce pension cost. Those eligible to retire will get a carrot and a stick: get out now while the getting is good because the best of times are over. Workers who are eligible to retire but choose to keep working will not earn more pensions credits and they will lose out in the cash balance shuffle where time is stacked against them and the dealer cuts the deck.

Older workers are typically grandfathered out, but there's always a lot of orphans when profiteers determine deferred compensation for workers is a promise worth breaking.

"The I.B.M. plan allows the roughly 30,000 employees who have either 25 years at the company, or are 50 years old with a decade of service, to stick with the old plan." [<http://www.nytimes.com/1999/08/20/business/companies-cash-in-on-new-pension-plan-but-older-workers-can-face-penalties.html?src=pm>]

Nonetheless, senior workers at IBM sought legal protection and lost. "The appeals court decision . . . is likely to give companies the green light to implement cash-balance plans without fear of litigation." [http://money.cnn.com/2006/08/07/pf/retirement/ibm_pension_ruling/index.htm]

Has there been any talk about pension changes? In 2003 there was no talk of two tier at Delphi and Visteon. In 2005 the UAW said there was no talk of reopening the contract. In 2005 there was no talk of a VEBA. Likewise in 2007 there was no talk of an expanded VEBA or two tier other than *Live Bait & Ammo* and the soldiers of solidarity who have a long history of blowing holes in the company union facade of confidentiality.

Will the concessions save jobs? Have concessions ever saved jobs? Of course not, but that's not the worst of it. The infamous M.O.U. is waiting to disgrace you, degrade you, and betray you. When workers at Nexteer, a former GM plant in Saginaw, voted down a concession contract in 2010, two main sticking points were temporary workers and health care for new hires. When the company came back with improved health care for new hires and a provision that made every new hire permanent after 89 days, the rank and file approved. One year later the UAW Concession Caucus signed a Memorandum of Understanding that gave the company permission to hire 15% of the workforce as permanent temps at \$12 an hour and no health care. Rank and file UAW members were not allowed to vote on this back stabbing M.O.U.

That's the plan, man. A frontal assault by the company and forced entry from the rear by King's Enforcement Officers. That's not speculation, it's the voice of experience. Read the history of UAW collaboration with corporate sabotage in *Live Bait and Ammo: Autoworkers Under the Gun* available soon from Haymarket Press.

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