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USA auto strikes

“Record profits mean record contracts”

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UPDATE: OCTOBER 26: On Day 41 of the strike against the Detroit Three – Ford, General Motors and Stellantis (once known as Chrysler) – the UAW reached a tentative agreement with Ford. The agreement will be discussed on Sunday, October 29 by the elected leadership in the UAW’s Ford division. If they vote to send to the membership for a vote, the agreement will be posted on the UAW website that evening. Meetings will be scheduled in UAW locals for discussion and vote.

Meanwhile, Ford workers will report to work. In the video sent to members the evening of October 26, UAW President Shawn Fain and Vice President over the Ford division Chuck Browning and outlined a few elements of the agreement.

While this was far from a complete review, the agreement represents a breakthrough as it marks the end of the concessionary bargaining unleashed in 2009. It restores much of what was lost but also offers some job security in a volatile industry that is being restructured for electric vehicle production (EVs).

Ford workers will return to work as the agreement is read, discussed and voted on. This is undoubtedly important to Ford given that its most profitable plant, Kentucky Truck, went out on strike two weeks ago. It produces \$48,000 in revenue in every minute of operation. It is also helpful to the UAW as it puts pressure on GM and Stellantis to hurry up and settle.

Under the UAW’s Stand Up Strike strategy of escalating their strike week by week, they had taken out the Detroit Three’s most profitable plants over the last two weeks. This included Ford’s Kentucky Truck plant, GM’s Arlington Assembly and Stallantis’s Sterling Heights Assembly Plant (SHAP). Annua revenue for each runs \$20-25 billion.

The contract will run 4.5 years and increase wages by 25%, with 11% rolled out in the first year. It will restore cost-of-living adjustment (COLA) suspended during the 2009 economic crisis – even though Ford did not receive a federal bailout as did the other two.

Workers’ eight-year progression to earning the maximum wage will be reduced to three years. This is a decisive move to eliminate the hated tiered wages – although undoubtedly the complete restoration of post-retirement health care and pensions is unlikely.

Ford retirees, who have not received an increase in their pensions since 2009, will receive an annual lump sum payment.

The agreement is the first time one of the Detroit Three agreed to stipulate that the UAW has the right to strike over plant closings. Previously announced was Ford’s commitment to a two-year guarantee for workers in such cases. This would include a percentage of their wages as well as health care coverage. It is unclear whether Ford matched the GM offer to recognize the UAW as representing battery workers at joint-venture plants. (While GM has one joint venture in operation and another scheduled to go on line at the end of this year, Ford’s joint ventures are still under construction.)

In their presentations, Fain and Browning made the point that it is the membership that has produced such a

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tentative agreement and it is up to the 48,000 UAW members at Ford to decide whether to accept or reject the agreement. Although unlikely to be rejected, if that occurred bargaining would be re-opened.

Given that a new leadership recently won the majority on the UAW’s International Executive Board in what was a bitter battle between the old guard and reformers, one question was whether the two could carry out a united campaign to win a contract without concessions. When the union’s 10 demands were announced, many influenced by the old guard said they were unrealistic. Yet with this tentative agreement, there is substantial movement on more than half (see the list below). The joint presentation by Fain (the reformer) and Browning (a longtime Administration Caucus member) demonstrated that unity, at least for now.

WITH THE DETROIT THREE raking in a quarter of a trillion dollars over the last decade, the United Auto Workers (UAW) centered its 2023 campaign for a new contract on exposing corporate greed. For their part, the three corporations, having made \$21 billion in the first half of 2023, were prepared for a hike in wages but made it clear that the restructuring necessary to bring electric vehicles to market meant there was little money to spare.

But the newly elected reform leadership declared “Record profits mean record contracts” and boldly outlined 10 demands:

- **ELIMINATE TIERS** – It’s wrong to make any worker second class. The Teamsters ended tiers at UPS. We’re ending them at the Big Three.
- **BIG WAGE INCREASES** – We’re demanding double-digit pay raises. Big Three CEOs saw their pay spike 40 percent on average over the last four years. We know our members are worth the same and more.
- **RESTORE COLA** – Cost of Living Adjustments (COLA) made sure the working class thrived for decades. It must be restored.
- **DEFINED BENEFIT PENSION FOR ALL WORKERS** – All workers deserve the retirement security UAW members had for generations.
- **RE-ESTABLISH RETIREE MEDICAL BENEFITS** – That’s just as essential as a solid pension.
- **RIGHT TO STRIKE OVER PLANT CLOSURES** – The Big Three have closed 65 plants over the last 20 years. That’s devastated our hometowns. We must have the right to defend our communities.
- **WORKING FAMILY PROTECTION PROGRAM** – This program keeps UAW members on the job and product in our plants. If companies try a shutdown, they’ll have to pay UAW members to do community-service work.
- **END ABUSE OF TEMP WORKERS** – We are going to end the abuse of temps. Our fight at the Big Three is a fight for every worker.
- **MORE PAID TIME OFF TO BE WITH FAMILIES** – Our members are working 60, 70, even 80 hours a week just to make ends meet. That’s not living. It’s barely surviving and it needs to stop.

- SIGNIFICANTLY INCREASE RETIREE PAY – We owe our retirees everything. They built these companies and they built our union.

These demands, coming from the membership, not only reverse years of on-the-job inequality that crept into the contract but also assert the right of autoworkers to have a life outside work. Although it isn't spelled out, if the wage is increased and overtime curtailed, threats of plant closings decrease. Even if plants close that doesn't end corporate responsibility to the work force and larger community.

In preparing for the 2023 negotiations, the reformers understood that to win a good contract the membership needed to become active participants. Corporations were willing to bump up wages by 9-10% but little more. They were happy to maintain the union's massive givebacks from a decade ago but if pressed the companies might move the current crop of temporary workers to full-time.

There was a second reason as well. Over the years the leadership, under the control of the Administration Caucus, had lowered workers' expectations of what was possible. It turned out that not only did they agree that autoworkers had to sacrifice to keep plants open, but some of the top officials – including two presidents – had taken bribes, got kickbacks from contractors, and were stealing UAW funds to support their lifestyle. More than a dozen officials went to prison and a federal monitor had been appointed to oversee the union. How would the union recover from the corruption and forty years of concessionary bargaining?

The reformers could not have displaced the old leadership without the revelation of massive corruption of top officials. But once that happened, Unite All Workers for Democracy (UAWD) got a hearing for direct elections and then went on to win half the IEB seats.

How Reformers Won

It's a long story of how a small caucus – United All Workers for Democracy (UAWD) – won a change in the UAW Constitution that provided for direct election, campaigned for the top seats and won every one of the seven candidates they backed, including the presidency. Without a reform leadership team to replace the old guard, we would have continued down the concessionary road.

Set up by Walter Reuther in the late 1940s, an Administration Caucus (AC) controlled the union's leadership positions from the top level down through the locals. Originally holding a social democratic conception of the UAW's role, its ruthlessness in dealing with any challenge to its authority helped build a bureaucracy that saw its role as keeping the companies in business.

Since the 1970s the AC has negotiated contracts that contained concessions to the companies. This meant explaining to its membership while it was impossible to win better working conditions, wages and benefits. Some officials claimed that as the economy recovered, these givebacks would be eliminated but this misestimation of capitalism's incessant demand for cheaper labor meant a constant restructuring of the industry, an intensification of work and greater job insecurity.

Typically negotiations started with the UAW president shaking hands with the Detroit Three's CEOs. As talks proceeded, the membership was not updated. Eventually the UAW would target one corporation. If negotiations stalled and led to a strike, workers reported for picket duty and were instructed not to speak to the press because that might endanger negotiations. Even the UAW's Communications Department had been under orders to issue “no

comment” when asked.

There has always been an alternative vision within the UAW. However, it was marginalized by the power of an entrenched caucus. Probably the most successful was the New Directions movement of the 1980s and early 1990s. Led by Jerry Tucker, it was able to win good contracts by using “work to rule.” But the success of the regional assistant director threatened the AC’s decision to accept concessions; they worked to crush the movement and succeeded.

The small number of New Direction activists who survived fought against the Detroit Three’s selling off of their parts plants. While allowing them to gain greater control over these plants, it reduced their work force. Able to dictate price and quality decisions over not only the product but also the workers, the three also were able to watch how the UAW leadership responded to the demand for a tiered work force. Little did we suspect that top AC leaders had decided not only did the corporations provide jobs, but that they could develop a lifestyle like corporate managers and be on the take. When the corruption was exposed, these leaders were golfing at expensive hotels for weeks and smoking \$2,000 cigars.

With both the company and the UAW top leadership propagandizing for a yes vote as the way to save jobs, many workers reluctantly voted yes. At American Axle’s Detroit plant (Local 235), where I worked, we were able to vote no. But we were unable to reach out to the workers in the other plants the company owned, especially because the whisper campaign claimed we had secure jobs and therefore were selfish in opposing the tiered wage system.

Around the GM and Chrysler bankruptcy in 2009 oppositional currents reformed around UAW’s leadership decision to unconditionally support the corporate demand for federal money. The group caravanned to Washington to hold a press conference demanding that if tax dollars were given, there should be conditions. First was to require the corporations to focus on manufacturing for mass transit. Second, workers should sacrifice the right to strike or have their COLA suspended given that they had no part in corporate decision making. Those demands were brushed aside.

Auto Worker Caravan (AWC) continued to carry out the tradition of previous caucuses to get their hands on the actual contract that was negotiated, read and analyzed.

As the UAW negotiators reached a tentative agreement, they prepared a booklet outlined its “highlights.” For its part, reform caucuses including AWC would locate the actual contract, then read and prepare a leaflet outlining its “lowlights.” Eventually AWC was able to put the actual contract up on their website. Only after that did the UAW leadership finally put the contract online.

Some of the AWC activists decided to focus on changing the union’s constitution to directly elect its top officers and Unite All Workers for Democracy (UAWD) was born. They organized a campaign to meet the requirements to call a special convention to make that constitutional change but ran out of time. As they prepared to re-launch their campaign, federal prosecutors began bringing charges against several UAW officials and the IEB was forced to accept a federal monitor in charge of investigating corruption and helping to establish membership control over its elected leaders. UAWD demanded a referendum over the process of IEB elections, won approval for that referendum and the subsequent constitutional change.

Organizing a campaign to contest half of the seats on the UAW’s International Executive Board, UAWD was able to win all seven. However the last declared the winner was Shawn Fain, who won the office of the presidency by only 600 votes. He was sworn into office less than a week before the UAW Bargaining Convention opened. The reformer’s slogan – their promise – was “No concessions, no corruption, no tiers.” With the election of one

independent candidate, the new IEB had the chance to fulfill that promise.

Reformers Choose a Different Strategy

The new reform UAW leadership had to break out of the apathetic dynamic that characterized the process of negotiating a contract. It began by organizing a campaign for the contract, encouraging members to sign up. Weekly text messages and emails began by emphasizing the profitability of the Detroit Three and emphasized how much CEOs were making. The 10 demands were introduced as the basis for negotiations and emphasized what members could do. Adapting some of the organizing preparations that Teamsters for a Democratic Union (TDU) used in the recent Teamster-UPS contract negotiations, there were calls to wear red T-shirts on Wednesdays, organize 10-minute meetings with coworkers and practice picketing.

On the opening day of negotiations, President Fain went to a Ford, GM and Stellantis plant and shook hands with the workers. This was a dramatic break with past practice. It represented how important a role members needed to play if negotiations were successful.

Each week Fain held 20-minute Facebook live meetings. He would update members on the organizing drives and strikes at various UAW locals around the country and then focus in on Detroit Three negotiations. In the last few minutes he would respond to comments or questions members wrote in the chat. One week Fain reported on Stellantis' proposal, which asserted the company's right to close 18 plants over the life of the contract. He then dumped it in the trash can, remarking that's where it belonged.

This gesture illustrated the union's aggressive strategy. Fain had highlighted the profitability of all three corporations, pointing out that the money was plowed into stock buybacks and boosted CEO benefit packages by 40%. Meanwhile workers were living paycheck to paycheck. It might take six or eight years for temporary workers to become permanent. Once full-timers, they would reach the highest wage tier in eight years, without ever gaining post-retirement health care or a pension. Then there were the companies' parts distribution subsidiaries, a highly profitable market, where workers start at a lower wage than assembly workers.

As an industrial union, the UAW constitution calls for bringing up the wages of the lowest-waged worker up to the higher-waged one. As two-tier wages were introduced into the Detroit Three contracts even those who reluctantly voted for them on the recommendation of the AC leadership – were uncomfortable working next to new hires who had inferior wages and fewer benefits. With each subsequent contract, workers said an end to tiers was their number one demand – but what they hoped was a temporary concession became standard operating procedure.

Five of the 10 demands oppose the tiering, and like the restoration of COLA and raising retiree benefits, are attempts to regain what has been lost. The other three issues – overtime, plant closings and protection from layoffs – are about the continual intensification of work and the restructuring of the industry that leaves workers behind. Although labor costs represent 4-5% of the total vehicle cost (down from 7-8%), it is the area that the corporations target. While the corporations claim their need to pour money into battery research and technology, the UAW is claiming the right to win back what was taken in what many workers saw as a temporary “sacrifice.” Further its demands challenge the right of management to deepen inequality.

As a result, the weekly updates did not narrow to negotiation with just one corporation. This, too, broke with the tradition of targeting one corporation to win a contract that would become a pattern for the other two. In some cases this led to a strike at the targeted corporation.

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As the expiration date of the old contract approached, Fain made it clear that the deadline would not be extended. Workers, labor analysts and the media wondered if the UAW would strike against all three. With \$825 million in the UAW strike fund, the union could weather a month-long strike (with each worker entitled to \$500 plus health coverage).

With only two hours before midnight, Fain revealed the innovative strategy by striking one plant at each of the three corporations. This not only conserved UAW financial resources but provided the negotiating teams with a weekly built-in escalation and kept the corporations guessing about which facility might next be struck.

As 13,000 UAW workers were called to strike, Fain outlined the “Stand Up” strategy that united both those on strike and those ready to go out if needed. Working under an expired contract, those remaining on the job were encouraged to refuse voluntary overtime and watch supervisors who might try to institute changes in violation of the rules. Those not yet on strike should continue to organize, wear red shirts on Wednesday, discuss with their coworkers and join the strikers’ picket lines.

Each week Fain held a Facebook live report to discuss where negotiations stood. At the end of week #1, Ford offered positive responses to some of the demands: agreeing to make the current temporary workers permanent after 90 working days, restoring COLA and guaranteeing up to two years of wages and benefits where a plant closed and the workers laid off. Because of this step forward, the UAW chose to strike only the Stellantis and GM distribution sites. These 38 sites are spread out in 21 states, enabling workers and community to flock to their picket lines. Some strikers spontaneously organized caravans from one striking plant to another. By the following week, caravans were networking across regions.

As the strike moved into the third week, Stellantis came forward with a proposal and got a reprieve. With a GM assembly plant in Lansing, Michigan and a Ford assembly near Chicago, 25,000 UAW workers were on strike with a few hundred more laid off because of the strike.

This strategy of starting off with minimal targets means that each week companies need to respond or their sites targeted. As the strike geographically expanded the strike more unions and community organizations joined in solidarity – including President Joe Biden.

As the first U.S. president to visit a picket line, Biden announced that the workers’ demands were just. It also meant that the Biden administration could not attempt to negotiate an end to the strike but had to remain on the sideline.

When Trump attempted to support the strikers but oppose their leadership, Shain remarked that he was just another billionaire “the class who opposed workers’ demands. Instead of coming to Michigan to walk the picket line, Trump held a rally at a non-union parts plant where the press couldn’t find any strikers among those wore autoworkers for Trump T-shirts. They did locate two autoworkers who were Trump supporters but even they didn’t agree with Trump’s views about the UAW’s strike strategy.

The strategy of striking the Detroit Three puts corporations on the hot seat, having to continually respond to the UAW demands. It is also transparent as the weekly updates reveal what is being negotiated and even what is being won. And it is encouraging members to keep the pressure up, whether working under an expired contract and having their eyes on management or on the picket line.

Unions, community and political organizations joined the picket lines all hours of the day and night. They brought food, music “and once the weather turned cold “ stacks of wood for the burn barrels. In particular, DSA chapters across the country picketed regularly and contributed material aid.

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When Bill Ford implored UAW workers at the Ford Rouge facility to see their future with the company and in competition with foreign-owned companies where the work force is not unionized, Fain responded that those non-union workers were our brothers and sisters “and open to joining unions. Fain also makes the point that the strike isn’t just about the UAW, but the broader need for end inequality.

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