

Live Bait & Ammo #101: Vote to Send Bargainers Back to the Table

Gettelfinger dropped it into reverse, popped the clutch, and drove “over the cliff”.

Seventy years of progress ended in a solidarity shattering two tier crash.

In 1970 the UAW won a 67 day strike at GM. The struggle paid off: 30-and-Out and uncapped COLA.

In 2007 after a 2 day strike Gettelfinger capped COLA, froze wages, cordoned off a two tier zone for new hires, and gave GM a 30% discount on retirees’ health care — \$35 billion for a \$50 billion debt.

Which leads us to the 15 billion dollar question. Who will make up the difference?

GM execs laughed all the way to the bank.

"While the devil will be in the detail, our first reaction is that GM captured a much broader set of concessions than we previously anticipated," JP Morgan analyst Himanshu Patel said in a note.

GM shares “rose as much as 9.7 percent.” [\[Bloomberg 9/26/07\]](#)

Indeed the devil is in the details and GM workers know they will not know those details until after ratification. The rush to ratify is a sure sign that the Concession Caucus doesn’t want members to examine the contract too closely or debate it among themselves before they cast a vote. Hence the slogan, “Vote NO until you KNOW the whole truth.”

Don’t imagine that GM will pull up to Solidarity House with a Brinks truck and pile cash into wheel barrows for the mystic VEBA. GM is expected to fund the union controlled trust with a combination of cash, stock, and promissory notes. As VEBA fund managers the UAW joins the sharks and parasites in the insurance industry and will assume GM’s role as the gatekeeper— the collector of tolls which will be automatically deducted from your pension, or extracted in copays.

The Wagon-Finger Accord amounts to a massive transfer of wealth from retirees to GM coffers. "In effect, the new agreement allows GM to cap and move off its books to an independent trust, a more than \$50 billion debt owed to the UAW for retiree health care...." [\[Wall St Journal 9/26/07\]](#)

Retiree health care will no longer be a defined *benefit*. Instead it will be a defined *contribution* capped at approximately 30% less than its projected cost. A nice discount if you can get it.

(Do you think GM will pass the savings on to the customer?)

"For GM, restructuring the UAW health care legacy burden should help free the company to pursue Mr. Wagoner's strategy of accelerating growth outside the U.S." [\[Wall St Journal 9/26/07\]](#) Labor's legacy wealth will be transferred to assets overseas and GM's job security pledges will go in the trash with the rest of their promises. In 1980 there were 350,000 UAW members working at GM. Today there are 73,000. Job security pledges littered every contract we've had since 1980.

Job security in the Wagon-Finger Accord will "depend on whether local unions at the factories agree to local contracts that make the plants more competitive. GM has been pushing local unions to agree to money-saving work rule changes, or so-called competitive operating agreements," company spokesman Don Flores said. "The local deals cover a wide range of topics, including the number of job classifications and restrictions on non-union labor allowed to work inside plants." [\[Detroit News 9/26/07\]](#)

There's a reason that COAs at Delphi have not been implemented. They don't want us to see how bloody the practice of cutting jobs to save jobs can be. Trades will hit the streets in droves.

Active workers will give up the cost of living that our retirees fought and won for us in 1970. The COLA has accrued \$2.08 in the last contract. COLA adds a dollar in overtime pay and amounts to over \$83 a week in straight time. A bare minimum of \$4,300 a year which will not accrue in the new contract. But that's just the beginning of the UAW's transition to non union conditions.

“GM will implement a two tier wage system for workers not doing core manufacturing.” **[Detroit News 9/26/07]** Two tier is a symptom of union decadence—a blatant act of discrimination against a whole class of workers. In the old UAW there was no such thing as non core workers. We were union to the core. A union that degrades workers is self destructive, not competitive. If sacrifices are necessary, they should be shared equally by all classes and all generations starting with the captains of industry.

COLA diversion coupled with a wage freeze means that top tier workers will enter negotiations in 2011 at the same base rate as 2007 but surrounded by lower tier workers hungry for a piece of the pie.

Divided, we beg. United, we vote NO. Send bargainers back to the table with a clear mandate: from new hire to retired, we are one union.

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