

UAW reaches new concessions agreement with Ford

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Ford and the United Auto Workers have reportedly reached a temporary agreement to wrest new concessions from auto workers in the US.

According to a report in Bloomberg, the agreement includes a six-year ban on some strikes and a wage freeze for new hires. Both of these provisions were included in deals pushed through at General Motors and Chrysler earlier this year, and Ford has said that it aims to secure “parity” in concessions from the 41,000 workers at its plants.

The UAW has scheduled a meeting of lower-level union officials for Tuesday, October 13. These meetings are generally called by union executives to lay down the strategy for forcing concessions on workers. Votes at locals could be called as early as this week.

In Canada, the Canadian Auto Workers (CAW) is preparing to offer similar concessions as those agreed in the United States. Formal negotiations there will begin on October 26.

The aim of the Big Three auto makers is to eliminate benefits and push out older, higher-paid workers, making room for a low-wage workforce, while eliminating tens of thousands of jobs. This “restructuring” is being carried out in the interests of the corporate and financial elite, which is using the economic crisis as an opportunity to rip up old agreements.

In order to facilitate this process, the Obama administration forced the bankruptcy of GM and Chrysler in the spring. The UAW played its role by pushing through new contracts prior to the bankruptcy filings. Ford, which posted a \$2.3 billion profit in the second quarter, is now seeking to do the same thing out of the courts.

The concession contracts at GM and Chrysler were

themselves preceded by an agreement at Ford in March to slash \$500 million in labor costs. This agreement included the elimination of cost-of-living adjustments; an end to daily overtime calculations based on an eight-hour day; cuts in holiday pay; the reduction of break time; and the elimination of the Jobs Bank, which subsidized laid off workers.

In order to sell the earlier deal, the UAW insisted, “Without substantial restructuring, Ford cannot survive on a long-term basis.” That is, the livelihood of auto workers must be sacrificed to the profitability of the companies, a line that it has repeated to justify all its concession demands. The UAW will no doubt make the same claim in relation to the new contract.

There was substantial opposition to the contract revisions in March, with several locals voting “no” by wide margins. There is concern in the media and among union executives that they may not be able to secure another “yes” vote. Bloomberg quoted Gary Walkowic, a union official in Dearborn, noting, “There’s a lot of sentiment against concessions inside the plant.”

The agreements this year followed 2007 contracts at Ford, GM and Chrysler that established poverty wages and limited benefits for new hires.

While negotiating away the wages, benefits and job security of auto workers, the UAW has secured control over the multi-billion dollar retiree health care fund (VEBA). The fund will be financed largely with company stock, giving union executives an immediate financial interest in driving down worker living standards. In return, the union will be tasked with cutting benefits for retirees.

At all the auto companies, the union has sold concessions as a means of “saving jobs.” In fact, tens of thousands of auto jobs have been wiped out over the past year, and dozens of plants have been closed.



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