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Concessions Bargaining in Auto

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Abstract

[Excerpt] David Bensman's "Concessions at South Works" in the Winter issue of Labor Research Review was an excellent recounting and analysis of the concessions process at United Steel workers Local 65. However, it misrepresents the nature of both the concessions and the concessions process in the United Auto Workers. Not only did the UAW's contracts with Ford and General Motors fail to provide "job security" as advertised, they were also arrived at by a process fully as manipulative as that in the USWA.

Keywords

concession, negotiation, collective bargaining, UAW, Ford, General Motors

Correspondence

Concessions Bargaining in Auto

David Bensman's "Concessions at South Works" in the Winter issue of *Labor Research Review* was an excellent recounting and analysis of the concessions process at United Steelworkers Local 65. However, it misrepresents the nature of both the concessions and the concessions process in the United Auto Workers. Not only did the UAW's contracts with Ford and General Motors fail to provide "job security" as advertised, they were also arrived at by a process fully as manipulative as that in the USWA.

Clearly the UAW's ratification process is more democratic than the Steelworkers' because the rank and file vote on contracts. But I believe the following points are relevant.

(1) UAW President Douglas Fraser and GM Chairman Roger Smith had a secret agreement before Christmas 1981 that the contract would be reopened and concessions granted. This was revealed later. Fraser got the union's GM Council to vote for "talks" with GM under false pretenses in January 1982. Many GM Council members believed that Fraser was really going to talk about improved job security and not about concessions.

(2) After the process was farther along, the International union hardly "developed a political dialogue that informed members about the issues." There was no debate in the pages of the UAW's magazine. The International put out misleading contract summaries which said that the contracts would put thousands of



members back to work. The headline on the Ford summary was "Breakthrough in Job Security." The concessions, on the other hand, were presented as minor changes. Dropping nine Paid Personal Holidays per year (which directly caused the loss of thousands of jobs soon after the contract was signed) was given a small paragraph on the last page of the 10-page summary. Bensman may call such a summary "passionate advocacy"; I wouldn't call it being "informed about the issues."

(3) The International union tried to intimidate the opposition to concessions, which, as least at GM, was considerable (a 48 per cent no vote on the contract). At the Ford council meeting, Fraser attacked oppositionist Al Gardner personally. Fraser said that Gardner, who is chairman of the Tool and Die Unit of Local 600, had "never engaged in any struggle or conflict or battle in his life," and threatened to "cut [his] ass up." After the Ford agreement was ratified, Fraser told Gardner, in a meeting of the union's skilled trades conference, that he would "tear [his] ass off because [he had] no balls." Not exactly conducive to a free and open debate. Some Canadian GM workers came to a U.S. GM Council meeting in Chicago. They had leaflets which used arguments widely used by the UAW leadership in Canada to try to convince their U.S. brothers and sisters not to take the concessions. The Canadians were not allowed to speak, had to sit in a special roped off section, and were subjected to derogatory remarks from the chair.

(4) Fraser berated local union officials at GM who failed to push the contract hard enough with the membership. He implied that they were disloyal to the International and were only interested in being re-elected—since concessions were not popular with the membership. Further, he said that members who voted against concessions were being selfish, because they were refusing to help the unemployed. The 48 per cent no vote was a sad day for unionism, Fraser said.

(5) At American Motors, the concessions contract was voted down, so the International sanctioned a re-vote *after* the ratification deadline. Violations of democracy and established procedure were so blatant that the Public Review Board, the union's watchdog body, is considering an AMC local's challenge to the ratification.

Bensman also praises the UAW's "steps to gain 'job security' " through experimental "lifetime employment" projects and limited bans on plant closings. On "lifetime employment": I would maintain that it is not a concession from the company to promise to

retain the top 80 per cent of workers at two selected plants out of many, especially when those workers need not be retained at UAW wages or at those plants, and even more especially when the affected locals agree to big work rule changes as part of the new "cooperative relationship." The ban on plant closings only prohibits shutdowns attributable to "outsourcing," and then only until April 1984. Both GM's plan to buy 200,000 subcompacts from Isuzu and its recent deal with Toyota will cost American jobs—and both are completely legal under the contract. The point here is not to berate the UAW for failing to win control over GM's investment plans—how could it, when it was making concessions? The point is that the UAW misled the membership when it claimed its contracts would provide job security.

Recently, Ford threatened to close its Edison, New Jersey plant if the local didn't grant concessions (it did). This kind of threat is actually encouraged by the contract, which spells out how locals can reopen their local agreements to "bid" for work—including against each other.

The most important point about the UAW's concessions agreements, however, is not their content nor the process by which they were ratified. It is their effect on the rest of the U.S. labor movement. The union's second set of concessions to Chrysler, though mandated by the Federal Loan Guarantee Board, set up a wave of concessions in other unions. Its third set, in January 1981, started an avalanche. And when concessions were made to profitable GM in April 1982, the word was out: if GM can get concessions, anybody can get concessions. Many staffers from other unions have told me: "after Chrysler, everything changed." American unions did not make concessions during our last recession—and employers did not ask for them. I believe that the reason they were emboldened to ask this time is that the unions gave the signal that the answer would be yes.

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