

United Auto Workers poised to go on strike tonight at some factories

All three automakers are offering double-digit-percentage pay increases over the next four and a half years

By Jeanne Whalen

Washington Post

The United Auto Workers union is poised to go on targeted strike against Detroit's three biggest automakers Friday morning just after midnight if it can't reach a new contract deal, and will expand the strike over time if necessary, the union's president said Wednesday.

It would be the first strike against an auto company since 2019. Talks remain tense, even though the auto companies have significantly improved their wage offers to union workers. Ford is now proposing a 20 percent raise over 4½ years, up from its initial offer of 9 percent. General Motors is offering an 18 percent raise over 4½ years, up from 10 percent earlier. And Stellantis, the parent company of Jeep and Chrysler, is offering 17.5 percent over that same time period, up from 14.5 percent.

UAW President Shawn Fain called the offers inadequate, given that inflation has soared in recent years while automaker profits and CEO pay have ballooned.

"We are seeing movement from the companies, but they're still not willing to agree on the kinds of raises that will make up for inflation on top of decades of falling wages," he said. In recent days the UAW has been demanding a 36 percent raise over four years, down from an initial demand of 40 percent, according to people familiar with the talks.

Fain said a strike would begin in a "select few" facilities and factories but that workers at other facilities at the companies — Ford, General Motors and Stellantis — should be ready to strike at a moment's notice if called upon.

The union will keep the companies guessing about which factories could be hit, he said.

“This is going to create confusion for the companies. It’s going to keep them guessing on what might happen next and it’s going to turbocharge the power of our negotiators,” Fain said in a Facebook Live address to his members.

Any strike, particularly if it drags on, would destabilize an industry that makes up about 3 percent of the nation’s gross domestic product. The UAW’s 150,000 automotive members produce nearly half of the light vehicles manufactured in the United States, according to analytics firm GlobalData.

A strike that significantly hurts auto production would quickly ripple out to affect suppliers and other businesses in auto-manufacturing communities. As auto factories shut down, they would stop ordering parts. Many auto-parts suppliers are still wounded from long shutdowns during the covid pandemic and would be clobbered by another disruption, analysts say.

The White House has been closely monitoring the acrimonious contract talks and urging all sides to come to a deal. The administration wants “everybody at the table 24/7 working to hammer out an agreement that ensures UAW jobs continue to be strong middle-class jobs and that UAW workers stay at the center of an auto future made in America,” President Biden’s liaison to the talks, Gene Sperling, told The Washington Post this week.

The automakers have stressed that they are striving to negotiate a fair deal, with bigger wage hikes than they have offered in years. But they have said they can’t meet all of the union’s demands without hobbling their future investment and growth.

Ford Chief Executive Jim Farley, who has kept his public remarks fairly positive throughout the talks, turned more critical after Fain’s address, saying that the UAW was staging “PR events” and not actually responding to Ford’s latest offer. He added that Fain at the last minute failed to turn up for talks with Farley and Ford Executive Chair Bill Ford on Tuesday.

“Nevertheless, Bill and I laid out a historically generous offer to the UAW Ford bargaining team because we listened to the UAW demands and we care about our employees,” Farley said in a statement Wednesday night. In addition to a wage increase, the offer includes some cost-of-living adjustments to protect against inflation, up to five weeks of paid vacation, 17 paid holidays and health-care coverage with some of the lowest employee cost-sharing in the country, he said.

“The first we learned President Fain received the offer was on Facebook Live this evening,” Farley said. “The future of our industry is at stake. Let’s do everything we can to avert a disastrous outcome.”

GM said in a statement Wednesday evening that it continues to bargain “in good faith with the UAW” and has presented “additional strong offers.”

“We are making progress in key areas that we believe are most important to our represented team members. This includes historic guaranteed annual wage increases, investments in our U.S. manufacturing plants to provide opportunities for all, and shortening the time for in-progression employees to reach maximum wages,” GM said.

Stellantis said it was “still awaiting the UAW’s response to the offer we presented yesterday.” It added: “Our focus remains on bargaining in good faith to have a tentative agreement on the table before the collective bargaining agreement expires.”

Fain, a fiery leader who won the UAW presidency in the union’s first direct election this spring, peppered his address with biblical references and barbs against billionaires, railing against economic inequality and saying the UAW has a “mission” to help the whole working class fight the “billionaire class.”

“They have spent decades convincing us that we are weak, convincing us that it’s futile to fight, convincing us that we should be grateful for the scraps that they decide to give us. I’m here to tell you those days are behind us,” he said.

Fain won the UAW presidency by convincing members that the union had been too complacent and cozy with industry for too long. He has made bigger demands in these contract talks than the union has attempted in decades, including a 32-hour workweek and the restoration of defined-benefit pensions and retiree health care for all workers.

The automakers haven’t agreed to those demands but have made other concessions. All three companies are offering to allow workers to progress to the highest wage level at a faster rate than in the past.

They’ve also made concessions on temporary workers, who make far less than full-time workers do and often get stuck in temp status for years. Ford is proposing converting all of its current temporary workers to full-time status after 90 days of work, while GM and Stellantis are offering an immediate 20 percent raise over temps’ starting wage, to \$20 an hour.

The automakers have argued that a big hike in their labor costs, or a prolonged shutdown, will undermine their efforts to scale up production of electric vehicles, a major undertaking that is costing the global auto industry tens of billions of dollars.

Fain and the UAW are planning a rally with Bernie Sanders, a longtime supporter of the union, Friday evening in Detroit.