

UAW Contracts Set Working Class Standards

By Scott Houldieson
UAW Local 551 Vice President

This is a big year for UAW workers. The 2015 National Contract Negotiations will begin later this year. One of our delegates, to Sub-Council 2 (Assembly Plants), was elected to be on the National Negotiating Team. Bargaining Unit Committeeman Fred Weems will represent, not only Local 551, but all UAW represented Ford workers at the bargaining table.

UAW contracts have been a driving force that set national standards for pay, benefits, and working conditions for over 75 years. Let's take a look at how those negotiations went and what were some of the more significant features in those contracts.

The UAW started as a member of the American Federation of Labor in 1935. At that time they had no contracts. Through a strike at Toledo parts plants, that made transmissions for Chevrolet and Pontiac, they gained the right to have union shop committees at some GM plants.

In 1935 the new International UAW had signed up only 25,769 dues paying members. This represented only 6% of



In the 1934 Toledo Auto-Lite Strike unemployed workers joined strikers on the picket line. Crowds of up to 10,000 were confronted by the Ohio National Guard. Two strikers were killed and 200 wounded in clashes with the National Guard.

auto workers around the country by August of 1935.

On December 29, 1936 workers at GM's Fisher Body plant #2 began the famous Flint Sit Down Strike. When GM attempted to move the dies out to another plant with a weaker union strikers sat down at Fisher Body plant #1. Forty four days later the victorious workers exited the plant.

Sit down strikes were workers most powerful weapon! One by one giant corporations gave in to unionization. Goodyear, Bendix, General Motors, U.S.

Steel, Chrysler all were unionized by either sit down strikes or the threat of a sit down strike. This tool was so powerful for workers that before long laws were passed against them. Industrial unionism was born out of the sit down strike.

Early UAW strikes were for recognition, to end company discrimination against union members and in opposition to speed up – a never ending battle we still fight today.

The **first UAW contract with GM** was a one page document that recognized the UAW as the collective bargaining agency for those employees who were members of the union. GM further agreed to not interfere with the rights of employees to be union members. **It also agreed to not discriminate, interfere, restrain, or coerce any employee because of membership in the union.**

In this agreement, dated February 11, 1937, the union agreed to end the strike, resume production as soon as possible and begin negotiations for a collective bargaining agreement five days later.

Before the strike men working at GM made 45¢ per hour and women, working at the AC spark plug plant (the only GM plant to employ women) made 12.5¢ per hour. By August 1939 the UAW had negotiated a wage rate of 75¢ per hour for seniority with a hire in rate of 65¢ per hour.

Susan Rosenthal describes working conditions in the GM plants leading up to the strike in her article about the Flint Sit Down Strike in History is a Weapon website:

"They used to say, "Once you pass the gates of General Motors, forget about the United States Constitution." Workers had no rights when they entered that plant. If a foreman didn't like the way you parted your hair- or whatever he didn't like about you- you may have looked at him the wrong way, or said something that rubbed him the wrong way- he could fire you. No recourse, no nothing. And practically all foremen expected workers to bring them turkeys on Thanksgiving and gifts for Christmas and repair their motor cars and even paint their houses. The workers were kept intimidated because if they didn't comply with what the foreman told them to do, they would lose their jobs and their families would starve. You can see what a feeling of slavery and domination workers felt inside the GM plants."

The 1939 GM agreement was the first one with **overtime pay**. Time and one half for hours over 40 per week and **weekend premiums** time and one half for Saturday, double time for Sunday except on seven day operations. This agreement also included two hours **call in pay**.

In 1940 GM agreed to pay 5% **shift premium** for night shift and time and one half for any hours worked beyond eight hours **daily overtime premium**. Workers with over a year would receive 40 hours of **vacation pay**.

The UAW had tried to organize Ford since the mid 1930's. In 1937 UAW organizers Walter Reuther, Richard Frankenstein, J.J. Kennedy and Robert Kantor were beaten by Ford Security at the infamous "Battle of the Overpass" at the Rouge Complex. Ford would not be organized until a massive strike in 1941.

In 1940 Ford was found guilty of violating the National Labor Relations Act for the 1937 beatings and continued firing of union sympathizers. The court required Ford to allow the union access to his employees. March 1941 an additional 6,000 Ford workers joined the union.

On March 13th 3,000 workers sat down at the Rouge complex to protest the firing of union members. On March 18th an additional 6,000 workers sat down in protest of the firings. The following day another building at the complex went on strike, then April 1st the Steel Mill at the Rouge went on strike.

The picket lines showed black and white solidarity, a rarity in 1941. Tens of thousands of workers joined the picket lines at all of the gates of the sprawling complex. There were daily strike bulletins,



Ford workers park cars in the street surrounding the Rouge Factory in May 1941. The strike gained UAW recognition at Ford.

press statements each hour, 12 radio broadcasts a day, and ten sound trucks to get the message out.

The strikers parked their cars in huge barricades. They blocked all entrances to the plant. The UAW held a rally attended by 16,000-20,000. Promises of support poured in from workers at Chrysler and GM, and from all over the CIO.

The union had gained popularity at Ford because of the horrible conditions for worker in his plants. Ford workers, who were once the highest paid in the industry, by 1941 earned 10¢ an hour less than workers at Chrysler and GM, and 5¢ an hour under the auto industry average. They had no lunchrooms and only a 10-15 minute lunch break. They worked rotating shifts with no premium pay. There was no overtime or premium pay for Saturdays, Sundays, or holidays. Favoritism was widespread and foremen especially tried to pit black workers and white workers against each other. Ford's Service Dept, headed by Harry Bennett, used fear and intimidation to keep people in line.



Ford strikers line the streets and overpasses leading to the plant entrances in June 1941 while a mounted policeman monitors the strikers. These strikers are why and how we are UAW at Ford.

Henry Ford threatened to shut down his plants rather than sign with the UAW. Initially sticking to his threat, he ultimately changed his position and signed a contract with the union on June 20, 1941. Ford's change of heart was reportedly because of his wife, Clara, who feared more riots and bloodshed would result from her husband's refusal to work with the union. She threatened to leave him if he did not sign the contract.

Ironically, considering his anti-union stance, Ford gave the union more generous terms than either GM or Chrysler: In addition to paying back wages to more than 4,000 workers who had been wrongfully discharged, Ford agreed to the highest wage rates in the industry and to deduct union dues from workers pay.

During World War II the UAW agreed not to strike in support of the war effort. This agreement rang hollow with many rank and file UAW members. At the May 1943 Constitutional Convention a resolution was adopted in support of a strike by the United Mine Workers. This passed over the opposition of UAW President R. J. Thomas and UAW Vice President Walter Reuther who introduced a resolution opposing the miners strike which was not adopted by the Convention Delegates.

The National War Labor Board did approve some improvements. A midnight shift premium of 7.5% was added, reporting time was increased from 2 to 3 hours, 80 hours of vacation pay for workers with 5 years seniority and equal pay for women was added by the NWLB.

Ed Jennings said in his account of the auto industry during WWII: "The coming of the war also transformed the whole frame work of labor-management relations in the industry. Through a series of strikes and massive organizing drives, the UAW had proven itself to be a permanent part of the automobile industry, if ever a union had been built through militancy and struggle, it was the UAW. The no-strike pledge changed all this."

"Shortly after the attack on Pearl Harbor, UAW leaders, along with other AFL and CIO leaders, pledged not to strike against war production for the duration of the hostilities. This pledge transformed the trade unions into virtual company unions. They still possessed the power to negotiate, but not the power to act against hostile policies, this proved to be crippling to the UAW, which had always depended so much on the strike

1943 saw 153 wildcat strikes in the war industries. This averaged a strike every other day and was three times higher than in 1942. In 1944 George Romney, then director of the Automotive Council for War Production, asserted: "There have been more strikes and work stoppages and more employees directly involved during the first 11 months of 1944 than in any other period of the industry's history." He also said there were more strikes involving more workers in 1944 than in "all the shameful sit-down strikes of 1937".

Many strikers and most organizers stood in defiance of their employers, their government and their union leaders. Most were fired but that didn't stop the wildcat strikes. Fighting brutal conditions was worth the risk to a majority of UAW members who had formed their union through militant struggles just a few years prior.

At the end of the war union leaders, seeking to rehabilitate their image with workers, authorized most spontaneous strikes. The UAW quickly entered into negotiations with GM. Walter Reuter led those negotiations and demanded a 30% wage increase without an increase in the price of GM products. GM countered with a 10% wage increase and told Reuther the price they set for their products was none of the UAW's business. A 113-day walk-out ensued. The union and GM eventually settled for a raise of 18 1/2¢ an hour, paid vacations increase, but no cost controls on GM products. The next year Reuther was elected President of the UAW in a bitter fight with R J Thomas for the unions helm.

Post war contracts were negotiated annually. In 1947 six paid holidays and a COLA formula were negotiated. The COLA formula indexed additional Cost of Living wage increases to the Bureau of Labor Statistics Cost of Living Index. The 1948 negotiations garnered an additional 13¢ per hour wage increases.

In 1949 the UAW, led by Reuther, pressed the tactic of pattern bargaining. Walter Reuther believed that retirement did not end a worker's association with a union, and that workers deserved a life-long pension. The target of negotiations was Ford. In September of 1949, in order to avoid a strike, Ford agreed to pay \$20 million a year to pay the entire cost of pensions. Workers with 30 years service would receive \$100 a month. Ford also agreed to fully fund the pension plan.

Chrysler was next. They agreed to the \$100 per month pension plan, but were not willing to fully fund the pension. Reuther demanded that the plan be fully funded just as Ford had agreed to do.

The UAW went on strike at Chrysler for 104 days in the winter of 1950 to win fully funded pensions for everyone. There was no strike fund in those days. The strikers were sustained by a special dues assessment at other UAW Locals. Solidarity saw them through. Chrysler finally caved in to the UAW demand to fully fund the pension plan after more than a billion dollars in lost sales. Reuther's quote "Too old to work, Too young to die" was a product of the 1950 pension strike.

After the costly Chrysler strike GM was quick to agree to terms with the UAW. In exchange for a longer contract GM agreed to more generous terms. Not only did they agree to a fully funded pension plan, but the benefit was \$125 per month.

(Continued on pg 16)

The UAW also negotiated hospitalization and medical care. GM agreed to pay half of the medical expenses for workers and their families. Vacation increase to 120 hours for workers with fifteen year were negotiated. Wages had increased from 45¢ per hour in 1936 to \$1.35 per hour by the end of 1950. This was a tripling of wages, let alone the value of benefits, in fourteen years which launched hundreds of thousands of workers into a middle class standard of living.

Ford and Chrysler quickly followed suit and were rewarded with longer contract terms also. This negotiation was dubbed the "Treaty of Detroit" by Forbes magazine. Congress quickly followed up with an increase to Social Security benefits (*to appease nervous business owners who saw the pension handwriting on the wall, hoping to contain costs this way*) which had remained stagnant since its inception. The "Treaty of Detroit" had a beneficial effect on workers across the country setting a standard for other unions to follow.

The next time contracts were up for negotiation was 1955. Ford went first and came to agreement on June 6 to a three year contract. Improvements were SUB pay annual wage increases of 2.5% of base pay plus larger increases for skilled trades workers. Retirement benefits were increased from \$1.75 per month per year of service to \$2.25 per month per year of service and all service would be credited no longer just the first 30 years. Half holidays were added for Christmas Eve and New Years Eve and an additional 2.5 weeks vacation for workers with between 10 and 15 years seniority.



The 1958 contracts saw down to the wire negotiations with several local strikes, including at Local 551 and 588, but no national strike. Improvements were Jury Duty pay, improved SUB pay, COLA (with 15¢ per hour folded into base wages) and shift premiums.

American Motors Company (AMC) was the first to offer profit sharing in 1961. The Big 3 were not willing to follow suit. In October 1961 Ford went on strike, not exactly over wages. GM had already settled for wage increases to \$2.92 per hour and Ford was willing to match along with improved SUB pay and Short Work Week Benefits. The 1961 Ford strike was over line speed, the number of union reps. allowed and Ford's attempt at two tiered wages at the Rouge Steel Plant. Ford wanted new hires to earn substantially less in order for the Rouge Steel Plant to compete with non-union steel makers. Reuther wasn't going to allow that.

GM resisted the UAW demands in 1964 and suffered a five week long strike of its nearly 300,000 union workforce. The 1964 contracts included many gains for both active and retired UAW members. Early retirement (85 points combining years of service with age) was first established, hospitalization and medical benefits for retirees. For active workers wages were increased by 2.8% in each year of the contract, bereavement leave was established two additional holidays, tuition reimbursement and a Christmas Bonus were added.

In 1967 the UAW shut down Ford production for 49 days. Prior to the strike autoworkers made on average \$162 per week. The agreement reached gave a 20¢ per hour immediate wage increase and 3% increases in 1968 and 1969. COLA gave a 1¢ per hour wage increase for ever .3% increase in the Consumer Price Index but was capped at 0.8% per quarter. By the time of the 1970 contract autoworkers were making an average of \$194 per week, but were losing ground to inflation because of the cap on COLA. Two more holidays were add along with a prescription drug program and paid military duty leave.

In 1970 the UAW targeted GM and failed to reach an agreement before the deadline. The UAW struck GM for 67 days in 1970. The 1970 strike was aimed at winning cost-of-living pay hikes and the 30-and-out pension provision. The agreement reached won 51¢ per hour immediate wage increase and 14¢ per hour in 1971 and 1972 for a 19.5% increase over the life of the contract. A very important win was the removal of a cap on the COLA formula. This completely protected autoworkers from wage erosion due to inflation. Other improvements were additional holidays so the entire week between Christmas and New Years were included, five weeks vacation for employees with 20 years, additional break time, additional representation. For retirees prescription coverage was added.

Like the previous four contracts in 1973 the UAW went on strike at one of the companies when the contract expired. Chrysler was the target this time. By comparison the Chrysler strike was short; only seven days.

The issues holding up an agreement were unrestricted 30 and out retirement and mandatory overtime scheduling. Chrysler was having a banner year. Record sales meant mandatory overtime and many workers were fed up with working nine hours a day six days a week. The previous contract had won 30 and out but only if the worker was 56 years old. The 1973 agreement eliminated that restriction. The only limits on mandatory overtime gained were a restriction to nine hours per day and a reduction in the number of mandatory Saturdays to two consecutive if a worker notified his/her supervisor they didn't want to work the third one. Wage increases were 3% in each year of the contract with an additional 12¢ per hour in the first year. The Friday after Thanksgiving holiday, the right to strike over outside contracting, Health & Safety Reps. and Dental insurance were negotiated gains of the 1973 three year agreement.

In 1976 Ford was the target for UAW negotiations. The Chicago Tribune reported September 16, 1976 that the UAW strike against Ford idled 170,000 workers in 22 states. The strike ultimately lasted 28 days. The company was trying to cut the costs of benefits by introducing cost sharing while the union was demanding 12 additional days off.

Ultimately the strike was a success. There were improvements to the vision, hearing and dental plans, workers received 12 Paid Personal Holidays and Benefits Reps were added to the union structure. From The Detroit News: UAW's battles shape history; Monthly Labor Review August 1955 pgs 875-881 The 1955 Ford and General Motors Union Contracts; History is a Weapon website; Wage and Benefit Gains by the UAW in 1980 by James T. Rhodes, Sarah Pitts, Rob H. Kamery all of Christian Brothers University; Wikipedia - Reuther's Treaty of Detroit, United Auto Workers (UAW) strike of 1945-46; UAW Region 8 website Book; War Time Strikes: The Struggle Against the No strike Pledge in the UAW During WWII by Martin Glaberman; Wildcat! The wartime strike wave in the auto industry - Ed Jennings; Chicago Tribune archives Sept 15, 1958; Sept 20, 1958; Sept 30, 1958; Sept 21, 1961; Sept 16, 1976; Reuters.com: Timeline of the UAW and U.S. Automakers; The Cornell Daily Sun archives October 22, 1964; The Harvard Crimson Sept 26, 1973 Not All the Blue Collar Workers Like New UAW-Chrysler Contract by Robin Freedberg.