

UAW says it has ratified General Motors contract, ending strike

October 26 2019, by John Biers



United Auto Workers (UAW) member Joe Ryan (2L) leads a prayer circle to recite a strike closing prayer outside of the General Motors Detroit-Hamtramck Assembly plant

General Motors hourly workers ratified a new contract with the auto

giant on Friday, ending the longest automotive strike in the US in nearly 50 years.

The package includes an \$11,000 ratification bonus, wage increases and no additional health care costs, said statements from GM and the United Auto Workers, touting the agreement as a compromise that worked for both sides after difficult negotiations.

The vote clears the way for nearly 50,000 workers to return to work after a 40-day strike that effectively shut down GM's US manufacturing operation and dented the economy of Midwestern auto manufacturing centers.

With expectations of further slowing in the US auto market, the union pressed hard for job security commitments, while GM sought to contain costs.

"General Motors members have spoken," said Terry Dittes, director of the UAW-GM Department, praising workers for "their sacrifice and courageous stand" that also won temporary workers a faster pathway to full-time status.

GM also scored key concessions, specifically an agreement that cleared the pathway to permanently shutting four plants, three of which the company had defunded in November 2018 in a move that enraged the union.



United Auto Workers (UAW) members Melissa Rose-Gorney and Nelson Worley, standing outside the GM Detroit-Hamtramck Assembly plant in Detroit, Michigan, react after reading the news that their contract with General Motors was ratified

"We delivered a contract that recognizes our employees for the important contributions they make to the overall success of the company, with a strong wage and benefit package and additional investment and job growth in our US operations," Chief Executive Mary Barra said.

"As one team, we can move forward and stay focused on our priorities of safety and building high-quality cars, trucks and crossovers for our customers."

Analysts have projected the strike cost GM \$100 million a day. The work stoppage also hurt the economy in key auto manufacturing centers in Michigan and throughout the Midwest due to tens of millions of dollars of lost wages.

The vote clears the way for workers to return to 31 factories around the country, a process that is expected to begin immediately.

Auto supply company Lear, which makes seats and electronic components for GM cars, projected it would take about one week to fully ramp up its work for GM after the strike.



Nearly 50,000 hourly workers had been on strike since September 16, effectively shutting down GM's US manufacturing operation

"The weekly impact of the strike has kind of grown as the strike has continued as there are more facilities that eventually became impacted," Lear Chief Executive Raymond Scott said Friday during an earnings conference call.

Scott said the strike had dented Lear's revenues by about \$70 to \$75 million per week.

Ohio plant to shut

Senator Debbie Stabenow, a Michigan Democrat, praised the agreement.

"I am grateful that both parties have come to an agreement that prioritizes job security, fair pay and strong benefits," Stabenow said.

"This is good news for our workers, Michigan's families and our economy."

Ohio Senator Sherrod Brown, also a Democrat, praised the UAW, but slammed GM for going ahead with a plan to shut a plant in Lordstown, Ohio.

"Today's ratification is a testament to the value of the labor movement," Brown said. "Without the UAW, GM could have increased workers' health care costs, kept their wages flat and continued to use temporary workers indefinitely."



The UAW agreement clears the way for GM to permanently shut its Lordstown, Ohio factory

"At the same time, this is another in a long line of sad days for the people in Lordstown," Brown added. "GM's unilateral decision this year to close Lordstown and their continued refusal to bring a new product to the plant is betrayal of the Mahoning Valley."

With the GM contract now finalized, the UAW said it will next move into negotiations with Ford. That will be followed by talks with Fiat Chrysler.

Shares of GM rose 2.6 percent to \$36.74 Friday in anticipation of the positive vote tally, which was released after the stock market closed.

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