

GMEECO-Conference 4/5 July 2007, Frankfurt/Main

5 July, Panel 2 – Comment Art Wheaton, Cornell University ILR

Greetings,

Thank you for the opportunity to participate in this distinguished panel and important conference. Special thanks to those colleagues who visited Cornell ILR in Buffalo, November 2005: Rudi Kennes, Wolfgang Schafer-Klug, Christian Brunkhorst and Michael Czogalla. I also wish to thank Klaus Franz.

These are indeed troubling times in the auto industry, especially for those hard working members in the assembly, power train, stamping and parts plants. The pace of change and the reckless disregard for the pain and suffering caused by redundancies and plant closings is devastating many cities around the world. I asked some UAW leaders to share their thoughts and ask what they might add to this panel. One important UAW leader responded with the following,

“Probably the thing you can let them know is that they are not alone in the attacks by the companies. It is a concerted effort to go after all workers and reduce our wages and benefits to that of third world countries in their efforts to be competitive. They basically are holding a gun to our heads in their threats of sourcing work to more competitive operations”.

The UAW is being threatened by the same devastating changes sweeping the globe. The Delphi-UAW-GM agreement will cut current wages and benefits by almost half. They have announced the closure of all but four facilities and may keep four more facilities to be run by GM if the agreement is ratified. Negotiations with GM, Ford and Chrysler begin this month. The threat of additional plant closings, reduction in wages and benefits continues in earnest. The health care and pension liabilities or “legacy costs” are staggering. The bankruptcy filings in the supplier industry and the purchase of Chrysler by private equity have certainly changed the dynamics going into bargaining.

There are however many examples of unions around the world joining together to combat and minimize the damage of the global economy and ruthless management. This conference and the Delta Case serve as an example of good leadership and a clear vision.

The GMEEF predicted the whipsawing used by General Motors to drive down costs and reduce the pay and benefits of organized labor. The strategy of joining together of international unions, universities and key partners such as the Friedrich Ebert Foundation may be the best way to promote and protect worker solidarity. You are to be commended for your efforts to negotiate alternative solutions to address the needs of working people around the world. Answers to these complex and critical problems will not come from company management

alone. They will only be derived by the combined resources and talents like those the GMEECO project have identified. Let us hope the auto industry continues to provide good paying and safe jobs for generations to come.

I thank you all once again for the opportunity to be here.

In Solidarity, Arthur Wheaton, Cornell University ILR