

Labor in Focus by Mel Klenetsky

A two-tiered workforce

The Ford-UAW contract revives a distinction pioneered by the Nazis: between skilled workers and 'spares.'

Before the Nazi era, skilled workers in the great industrial plants of Germany's Ruhr were provided with homes and other amenities, and, under the sensible system introduced by the Krupps, were largely kept employed even during periodic depressions. With a generally expanding industry, the ranks of skilled workers were enlarged, drawing in young workers, much as Japanese industry does today.

Under the Hitler-Schacht economy of the 1930s, the production system was overturned. The skilled workers remained, and were generally protected from the Gestapo, the Labor Service, and the draft, because Hitler needed skilled labor; but ordinary factory workers would no longer move upward in skill and income.

Those workers were subject to constant recycling, and were instantly replaced if they did not perform properly—in the 1940s, this usually meant being shipped to the Eastern Front. Eventually, the lower tier of the labor force had ground up so many German workers that it began to draw upon "foreign workers." That, in the end, turned into the use of slave labor.

As the United States presently plans an armaments build-up, Ford Motors has turned to the Hitler-Speer wartime system: a two-tiered workforce, in which the older, more skilled employees are maintained while the lower-tier employees are used and discarded at need.

The new Ford-UAW contract, unanimously ratified by the 26-member International Executive Board of the UAW on Feb. 14, established that system for the first time in the United States. It creates a top tier of "permanent employees," the men who have 15 years or more seniority, and a bottom tier of newly hired workers and those with less than 15 years' seniority.

In the upper tier, if the worker is laid off, he will collect half pay for his lifetime from the company. This is less than the former Supplemental Unemployment Benefits, which brought the combined SUB and unemployment compensation up to 85 percent of the employee's regular wage, but the SUB benefits have been exhausted by the three-year collapse in Detroit.

The company has further promised to install a pilot program in two unspecified plants that will provide lifetime employment for 80 percent of the workers in those plants.

Both the company and the union refuse to say how many workers have 15 years' seniority, but it is estimated to be as many as 70,000 of a total of 195,000 workers employed by Ford in 1978, a peak year.

This is not to say that the upper tier will be well treated. According to the provisions of the agreement, six paid holidays will be abolished, the annual 3 percent wage increase will be eliminated through 1984,

and the cost-of-living supplement will be frozen for the next nine months.

UAW chief Doug Fraser's claim that "it was beyond our means" to do more for the 54,000 laid-off workers is an indication of the fate of the lower-tier workers. In the immediate future, they will simply not be employed. However, if Ford is used to gear up for arms production, the laid-off workers and/or new hires will be taken in.

In a complete break from standard labor practice, the Ford-UAW pact allows the company to pay substandard wages—15 percent less—for as long as 18 months. The usual practice is 10 percent less for a 30-to 60-day probationary period.

The National Master Freight Agreement between the Teamsters union and the trucking industry, which is usually a national pacesetter for labor, was negotiated in January with a similar category of substandard new employees for the first 12 months.

Far from being critical of the auto industry for its preplanned shrinkage to approximately half of 1978 production (it is now producing at one-third of 1978 levels), the UAW leadership is mightily pleased by the plan worked out with Ford.

Doug Fraser was notably enthusiastic. "We have started down a new road," Fraser told reporters after the pact was announced. "We have reached the point in the auto industry that workers will be treated in a more humane way in recessions than they have in the past."

If the future of the United States follows the course of Germany in the 1930s and 1940s, Doug Fraser's claim that the pact will be historical may prove entirely correct.