

# DEMOCRATS TRYING TO REVERSE BUSH'S ATTEMPT TO DISMANTLE UAW BY FIAT

I've been meaning to catch you all up on the impact of the auto rescue on the UAW. But I really shouldn't bother, as the likely impact has changed from day to day over the last several.

On Thursday, GM's Rick Wagoner announced that it could reach the mandated goals without touching retiree pensions.

GM can continue to operate without cutting benefits to retirees, Wagoner said.

Of course, retirees wouldn't be safe so long as the goal was to bring the lizard lie number (the number that compares UAW wages plus legacy costs with Japanese wages and their negligible legacy costs) to parity. But the UAW's Gettelfinger and Wagoner now agree that the lizard lie number is just that.

Payroll and legacy costs have been a source of some criticism for GM and the UAW. Both Wagoner and Gettelfinger agreed that the labor compensation comparisons between GM and foreign automakers are not necessarily accurate.

It would have been nice had that point been made more forcefully back during negotiations.

Next up, on Friday, we learned that Bush's auto "rescue" prohibits unions from striking over the course of the loan.

An extraordinary new wrinkle in the federal loans to Detroit's automakers became clear Thursday from the fine

print:

A UAW strike could derail the rescue effort.

The U.S. Treasury Department could declare General Motors Corp. and Chrysler LLC in default of their \$17.4 billion in loans and demand the money back, according to pacts signed with the Bush administration last month.

Although the impact – and even the legality – of such a provision is not clear, the details of the pact highlight the complications facing the union, which must agree to make sweeping changes in wages and benefits for workers by Feb. 17.

I can't help but imagine that Bush snuck that in the loan terms not just to break the union, but also to get one final shot at SCOTUS' Youngstown decision.

And remember when people argued I was crazy for arguing that the overriding purpose of the plan was to break the UAW? Isn't that just hilarious in retrospect?

Finally, today, we learn that Barney Frank is hard at work trying to negate Bush's last attempt to dismantle a major union by Presidential fiat.

Concessions forced on the UAW could be stripped from a \$17.4-billion auto industry rescue plan, even as companies and the union would have to answer to a stronger car czar, under a bill unveiled Friday that House Democrats plan to vote on next week.

[snip]

The bill also would require the Obama administration to decide by Feb. 1 what terms the automakers, unions and

creditors must meet to keep whatever loans they have and get any additional aid. The companies would then have until March 31 to show the new administration's car czar that they are making sufficient progress.

It makes no mention of a Feb. 17 deadline that the Bush administration set in the loans for commitments from the UAW and the automakers toward restructuring goals.

Frank's bill also avoids any of the terms that angered the UAW last month, namely pushing the union to accept pay, benefits and work rules that match those of workers at foreign-owned plants in the United States.

Welcome to the new Democratic reality. One amusing detail is that Democrats will consider passage by the House sufficient cover to allow Obama to rewrite Bush's rules.

Frank said that if it passed the House with a large majority, but failed in the Senate, he'd be willing to accept the word of the Obama team "that they will act as if it were law."

And why not? Bob Corker thought he was very clever, I'm sure, when after his assault on the UAW failed in the Senate, he waltzed down to the White House to help Bush just make it worse. But since this whole thing was done solely by Presidential power in the first place, I suppose it can be undone by Presidential power.