

## [Transcript] The Daily / A Historic Strike (And Win) For Auto Workers

From the New York Times, I'm Sabrina Tavernese, and this is The Daily.

A wave of strikes that had paralyzed the auto industry came to an end on Monday, when the last of the three big car manufacturers, General Motors, reached a deal with the union that represents auto workers.

Today, my colleague Neil Boudette, on that historic deal, and why it was such a win for workers.

It's Tuesday, October 31st.

So Neil, we last had you on the show in September, and at that point, the union that represents auto workers, the UAW, was preparing to strike against the three big car makers, Ford, GM, and Stellantis, formerly Chrysler.

Shortly after you previewed that for us, they did, in fact, go on strike, and today we're coming back to you because the union appears to have a tentative deal with those companies after weeks of striking and lots of negotiations.

Tell me what happened. What exactly have they gotten in this deal?

Well, I don't know if the union has ever gotten a pay increase this big in one single contract.

It's a really, in some ways, kind of a breathtaking number.

So the top UAW wage now is \$32 an hour.

Over four and a half years, that will increase by 25% to more than \$40 an hour.

With a little overtime, it would be fairly easy for workers to make \$100,000 or more, and in a place like Flint, Michigan, a factory town like that, that's a really solid middle-class life that these people are now going to be able to live.

But really, the bigger moves are for people who are lower down on the pay scale.

There are people who are making \$22 or \$26 an hour,

and we're going to have to wait five or six or seven years to get to the top wage.

Now they'll move to the top wage in three.

So you'll see somebody who was making \$20 an hour, and in four and a half years, their wages will double.

So that is a really big move for the people who are lower down.

It's not just a benefit for those up at the top.

So Neil, what else is in the tentative agreement?

One of the biggest things is that the union won cost of living adjustments to their wages.

This is something that they had given up several years ago and had wanted to win back and had been unable to win back in previous negotiations, and so now they have it.

So if inflation goes up, their wages will creep up to soften the blow of inflation.

Then in addition to that, there's richer contributions to the pension plan and 401k, and they also won the right to strike if the automakers close any plants.

In the past, they were not allowed to strike over plant closures.

Now they are able to do that.

So in other words, this gives workers more power to actually have some influence over what factories, companies are closing.

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Absolutely.

This is definitely another lever that they can pull to respond to the companies if the company does something like tries to close a plant and eliminate some of their UAW jobs.

So Neil, help me understand what these concessions for workers actually mean.

I mean, it sounds like a pretty big win for them, right?

Put it into context for me.

So the pay increase of 25% is more than all of the combined increases that the union got in wages for over about the last 20 years.

Part of the problem was that in the past, they had gotten small increases, inflation went up, and they'd really seen their actual purchasing power and living standard go down, and now they're gaining back a lot of that and more.

So a remarkable win for the workers here.

I mean, this is really a moment for labor across the board.

We just did a show about the Hollywood writers getting a huge win and their union negotiations.

So how did the auto workers get such a huge win?

What was the strategy?

Well, traditionally, they would strike at all plants at one company.

They would pick one company known as the Target, and they would go on strike there and try to get the best deal they could from that company and then try to get the other two to agree to the same terms.

That was the traditional way, the way it's been done for decades and decades.

Basically, everybody walking off the job at the same time everywhere.

Correct.

But this time, they had a new president.

I want to thank every member who voted, no matter who you voted for.

Sean Fain.

Today we put the companies on notice, the fighting UAW is back.

He was elected last spring, and he came in with a completely different approach and a completely different mindset and idea of how to do this.

About 13,000 workers at three major auto companies are now on strike for the very first time.

And so what they did was they struck at all three companies at the same time, but they only picked a few targeted plants or locations to strike.

So here are the two strikes that were announced today, the additional locations.

And then they would add more over time to increase the pressure on the companies.

We are the union.

The UAW strike expanding once again, more plants shutting down.

And what this did was it kept the companies off balance.

They weren't sure where the union was going to hit next or where they were going to feel the impact next.

The strike is expanding to an additional 38 plants across 20 states, adding thousands more workers to the picket line.

So in other words, the new president, Sean Fain, was employing this very new strategy that was kind of like guerrilla style tactics, right?

It wasn't everywhere, everybody all at once that the companies could kind of prepare for and saw

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coming.

It was suddenly this plant, suddenly that plant.

It was keeping the companies guessing about what the workers were going to do.

Exactly.

And it was frustrating for the companies because they didn't know when or what Sean Fain was going to do next.

And it created a high level of anxiety on the company side at the very beginning.

They were really frustrated.

They didn't know how to respond to it.

And it proved very effective for Sean Fain and the United Auto Workers.

So the strike starts in September.

Is there a moment when the union realizes this new strategy it's got going is working?

Yeah, fairly early on, they knew they were gaining ground.

And the best example of that came at the beginning of October.

Ford and the UAW were going to have a negotiating session.

It was at the Ford World Headquarters.

They had a big room with this giant negotiating table with 50 seats on one side and 50 seats on the other.

They were all set for this big meeting.

But the union got there and Ford did not have a new offer for them.

And that surprised Sean Fain and he was annoyed.

And right then and there he told Ford, you just lost Kentucky truck.

And he was referring to this truck plant in Louisville, Kentucky.

It's Ford's largest.

It's Ford's most profitable.

And he walked out minutes after the meeting started and called the local president in Kentucky and told them,

tell your workers to walk out of the plant.

Thousands of auto workers unexpectedly walked off the job at one of Ford's most profitable.

And that night they walked out.

This is serious.

This Kentucky plant does a lot.

This is the plant that builds the Super Duty F-Series.

It also builds the Expedition as well as the Lincoln Navigator.

High profit vehicles.

This one really hurts Ford.

And it was a really dramatic moment because it showed the power that Sean Fain had to strike at the company very quickly

and at a time and a place the company was unprepared for.

They thought they figured out the so-called rules of the game.

So we changed the rules.

And now there's only one rule.

Pony up.

And then after the strike at the Kentucky plant, the UAW did the same thing to GM.

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We're going to hit when we need to hit and where we need to hit.

And then to Stalantis, they went out at big truck plants owned by those companies.

Time is on our side and our strategy is working.

And very quickly, about two weeks later.

The UAW has reached a deal with Ford Union president.

They had a tentative agreement with Ford.

And then three days later, Stalantis agreed to basically the same terms as Ford.

And then finally on Monday, October 30th, there was a tentative agreement with General Motors, which means the strike is finally after six weeks coming to an end.

So in the end, do we have any sense of what this strike costs the auto companies?

Yes, it has hit their bottom line.

And if you look at GM, for example, just the other day, they said that the strike had cost them \$800 million,

which is a significant sum, but it's not crippling to the company.

It's a sum they can manage and get by with.

General Motors is on track to make about \$10 billion this year.

So it really doesn't knock them off course.

OK, so overall, this pretty unorthodox approach caused the auto companies some pain enough to make deals with the UAW that are very favorable to workers.

And the person at the center of that, as we've been discussing, is Sean Fain, who has this kind of brash confrontational approach.

And I remember the last time you were on the show, you were saying, there's a real question about whether that's going to work.

And it seems like we have the answer to that, right?

Yes, Sean Fain has really, through this strike, emerged as one of the most important leaders in the UAW's long history.

For the last 20 years, the union has really been going backwards.

They've been giving concessions to the companies.

They've accepted lower wages for newer workers.

And Sean Fain is the man who turned that around.

What Sean Fain has done is really impressive, and it's going to have implications for the future, not just for the UAW, but for other unions and even non-unionized workers and certainly for organized labor in general.

We'll be right back.

So, Neil, how should we understand this really big potential win for the UAW, and what it means for the union in the longer term?

It really is a very big win for the United Auto Workers, because it changes the prospects for the union.

They now have the potential to gain new members and organize, because this contract really enhances the union's image and reputation.

For years, they had been going backwards, and now they're taking their members forward and winning higher wages and better benefits.

So, it makes the union more attractive to workers who could potentially join.

And what does it mean about what the union's ambitions are at this point?

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Well, they're looking toward the south, and throughout the south and the lower Midwest, foreign-owned automakers, Toyota, Honda, Hyundai, Nissan, own plants that are non-union.

And in the past, the UAW has made some attempts to organize these plants, and they've been rebuffed.

They tried at a Volkswagen plant in Chattanooga, Tennessee, and the workers rejected the UAW.

But now, they can come back and show these big gains that they have gotten in this contract. And in many cases, these plants in the south, these non-union plants, pay significantly less than UAW wages.

For example, many of these plants are starting wages in the high teens, and then people can climb up into the mid-20s, 25, \$27 an hour.

But this new contract takes the top UAW wage up to 40.

So there's a really wide gap between what the UAW workers are going to be earning and what these non-union workers in the south are earning.

So basically, the UAW is kind of looking around at the landscape, seeing what it just got and thinking maybe it could expand the territory, expand where it actually has members, right?

Expanding to other companies that are in fact not unionized.

Absolutely. Sean Fain has said that is their ambition is to go on the road and organize, he said, organize like we've never organized before and go to these plants and try to convince these workers to sign up and have them vote in favor of the UAW this time.

Now, they can go to these plants in the south and say,

this is what we want from the big three, and that's what we can win for you from whoever your employer is, Mercedes, BMW, Hyundai, Toyota, Nissan, and so on.

Now, let's turn to the auto companies themselves.

And obviously, this is a very favorable deal for workers that they just struck.

What does this ultimately mean for their business, the big three?

Well, it creates more challenges for these companies.

It means that their labor costs are going to increase and they've been preparing for this.

About two years ago, they started cutting costs internally in hopes of making enough cuts so that it would cushion the impact of higher labor costs.

But it's not like the old days where there were labor contracts that had certain terms that really burdened the Detroit companies that kept them from competing.

Labor costs these days is only about 5% of the cost of an automobile.

So it's that 5% that is going to increase, but it's such a small portion that it's not going to throw these companies' economics completely out of whack.

Got it.

So, Neil, you've been covering the auto industry for 21 years.

How would you describe this moment that we're in?

What has this agreement changed?

It's really a dramatic point in time.

When I came in, the story of Detroit was a story of decline.

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Those companies were struggling.

They were closing plants.

They were laying off workers.

The UAW itself was in decline and in retreat.

Really, in the last 10 years, these companies have become rejuvenated.

After General Motors and Chrysler came out of bankruptcy, and Ford survived the financial crisis.

Of 2008.

Yes, correct.

They have slimmed down and become really competitive and have had a long run of near record or record profits.

At this point, this means the winnings of that hot streak for the companies gets extended to the workers.

Now they're really going to see the impact of those profits trickle to them and improve their lives as well.

So the workers really scored a win after many, many years of losses.

Yes, it's a dramatic turn around.

Sean Fain said the other day that this union used to be a story of decline and defeat.

Now this is a story of victory and moving forward.

Do you think, Neil, that it provides some sort of blueprint for other types of industries?

In terms of his tactics and how they actually pulled this off?

I'm not sure the tactics themselves, the targeted strike and hitting certain plants at certain times.

I don't know if that's transferable, but just the fact that the UAW has won this big victory should embolden other unions to try to do something similar.

And I think you'll even see non-union jobs reacting to this.

Just in the auto industry alone, for example,

the foreign-owned plants in the south that are non-unionized, you're likely to see them raise their wages kind of preemptively so as to maybe stave off a UAW attempt to organize their plants.

If they give their workers a raise, maybe they won't want to join the UAW.

So just that alone is going to have a ripple effect throughout various industries where there are unions and even where there are no unions.

So in a way, this seems like a win-win.

Like auto workers make a better living

and it doesn't fundamentally change the competitiveness of the American automakers.

Well, it's certainly a win for the workers.

If you go back to the 60s and 70s,

getting a job in an auto plant was a ticket to the middle class.

You could get out of high school, take one of these jobs

and be assured of living a very comfortable life.

You could raise your family, have some nice vacations

and live a great life and send your kids to college.

And we haven't really seen a lot of jobs like that in the last 20 years.

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And this contract brings that back, brings back that potential.  
The UAW in the past, I mean, they've taken credit  
for helping build the middle class in the United States  
and prosperity in the post-World War II years.  
And now they have the potential to be that kind of engine again.  
As Sean Fain says, it helps restore the American dream.  
Neil, thank you.

It was a pleasure. Thanks for having me.

We'll be right back.

Here's what else you should know today.

I hope and pray that civilized nations everywhere will back this fight  
because Israel's fight is your fight.

As Israeli troops advance deeper into Gaza,  
Israel's Prime Minister Benjamin Netanyahu  
called on world leaders to support his country's war against Hamas  
and rejected calls for a ceasefire,  
describing such a possibility as, quote, a surrender to terrorism.

Israel did not start this war.

Israel did not want this war.

But Israel will win this war.

Asked about the growing civilian death toll in Gaza from Israeli airstrikes,  
which has surpassed 8,000 people according to the Hamas-run health ministry,  
Netanyahu accused Hamas of preventing civilians from leaving the areas of conflict,  
a claim that Hamas disputes.

Meanwhile, in Gaza on Monday,

Israeli armored vehicles appeared to be moving toward Gaza City,  
a Hamas stronghold, from three directions.

During operations there,

Israel said it had rescued one of its soldiers  
who'd been abducted by Hamas on October 7th and brought to Gaza.

Today's episode was produced by Diana Nguyen,

Luke Vendorplug, Olivia Natt, and Shannon Lin.

It was edited by John Ketchum and M.J. Davis-Lyn.

Contains original music by Mary Ann Lozano and Pat McCusker  
and was engineered by Chris Wood.

Our theme music is by Jim Brunberg and Van Lansverg of Wonderly.

That's it for the Daily.

I'm Sabrina Tavernisi.

See you tomorrow.