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# Profit sharing as part of the 1958 Bargain Program in the Automotive Industry

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des consommateurs. On ne peut s'empêcher cependant de la situer dans son contexte et de se demander si elle n'est pas dans une large mesure une habile manoeuvre publicitaire destinée à placer le syndicat ouvrier dans une bonne position lors des négociations de ses conventions collectives.

### **Profit sharing as part of the 1958 Bargain Program in the Automotive Industry**

While the United Automobile Workers have chosen profit sharing as the No. 1 goal in their 1958 bargaining program, it is to be remembered that in 1949, they had issued a special statement under the general heading: "What's Wrong with Profit-Sharing Plans?"

On that particular instance, they claimed that:

1. Flexibility which goes with profit sharing is a poison for workers but a spring tonic for the boss;
2. Profit-sharing plans undermine purchasing power, make workers pay for company mistakes and don't work;
3. Flexibility makes workers compete;
4. Profit sharing is a step backward;
5. Profit sharing is a scheme used by employers to make capitalists out of the workers;
6. Accounting methods are not familiar to workers;
7. Profit sharing undermines collective bargaining and processing of grievances;
8. Unions have consistently been against profit sharing;
9. This UAW position is one for which the union and its membership will continue to fight with everything at hand.

At their special convention held in Detroit last January, the UAW proposed that there be an equitable three-way sharing of the profits over and above the 10 percent of net capital before taxes: one-half of these profits would be retained by the corporation for stockholders and executives; one-fourth would be allocated to wage earners and to those salaried employees who do not participate in executive bonus plans; the remaining one-fourth would be allocated in the form of a price rebate to consumers.

To these proposals the Big Three, General Motors Corporation, Ford Motor Company and Chrysler Corporation, have opposed a flat *no*, saying that their acceptance would be a blow to the American system of free business. The companies emphasize that Mr. Reuther has no right to represent salaried employees and consumers; they also hold the position that profits and prices are out of the realm of collective bargaining.

It must be recognized that the UAW are not proposing or considering profit sharing as a normal bargaining topic. They insist that their demand is only a supplementary economic one over and above the minimum basic economic requests that any company should meet. Profit sharing is to be proposed solely to those corporations who, in the opinion of the UAW are the most profitable.

The UAW stress the non-inflationary character of their demand for profit sharing on the assumption that the money coming out of profits is something already earned and not to be considered as part of production costs.

According to the UAW, the fight against inflation requires an increase in the general fund of purchasing power in the nation by giving wage earners and customers of the industry a share in the higher productivity of the most profitable companies. This is in fact the best reason one can find to reconcile, at least to a certain extent, the position taken in 1958 by the UAW with the one they had so emphatically proclaimed in 1949.