How the UAW pushed through its sellout at Chrysler

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With the votes at four Detroit area auto plants Wednesday it appears the contract negotiated between the United Auto Workers and Chrysler LLC will be narrowly approved. Although the union has not released actual totals, press accounts report 55 percent of those voting have approved the deal.

According to the *Wall Street Journal*, only an "overwhelming" rejection by workers at the last large local left to vote—the 3,800-member Local 1268 at the assembly plant in Belvidere, Illinois—could defeat the contract.

The passage of the new four-year labor agreement will have devastating results. With this contract Chrysler's Wall Street owners—private equity firm Cerberus Capital Management—will accelerate their plans to carve up the number three US automaker by shutting down or selling off dozens of factories.

Thousands of workers will lose their jobs and entire working class communities such as Detroit, St. Louis and Kokomo, Indiana—already wracked by high levels of unemployment and social distress—will face even greater blows.

Like the agreement with General Motors and the upcoming contract with Ford, the Chrysler deal condemns the next generation of auto workers to near poverty by reducing wages from $28.75 an hour to $14.00.

Current workers will face a campaign of harassment by management, which is eager to replace higher-paid veteran workers with low-paid new hires. With wages frozen and Cost-of-Living Adjustments diverted, workers will be ravaged by higher housing, food, fuel, education and health-care costs.

The deal will relieve the company of its obligation to pay for the medical coverage of its 78,000 retired workers and their spouses. Instead, the principle of employer-paid retiree health-care benefits—won by auto workers in the 1950s and 1960s—has been abandoned.

In exchange for sacrificing the jobs, wages and benefits of auto workers, the UAW is being handed control of a multibillion-dollar retiree health-care trust fund, known as a Voluntary Employees' Beneficiary Association, or VEBA. With the trust the UAW will gain a steady stream of income as proprietor of one of the largest private investment funds in the US. At the same time the UAW will be in charge of slashing benefits for retirees and their families.

Chrysler workers throughout the country recognized that this contract threatened to destroy the gains of decades of struggle. Locals representing more than 16,000 members rejected the deal in Missouri, Indiana, Delaware, Michigan and Ohio. As late as Tuesday, after the contract was overwhelming rejected at three plants in Kokomo, Indiana, there was a strong possibility that the sell-out agreement would be defeated—the first rejection of a national contract since 1982.

Chris, a worker at the Kokomo transmission plant and a member of UAW Local 685, which rejected the contract by a 72 percent vote, told the WSWS, "At one informational meeting the local president was shouted down for supporting the contract. The International sent in four to five reps to sell it. There was so much hostility towards them I thought someone was going to call the police.

"We don't trust the International. Somebody said they sounded more like supervisors who were out of work. They just talked about helping the corporation make profits not the needs of the workers they are supposed to represent.

"Workers were especially angry about the two-tier wages and the so-called core and non-core jobs. The union would never specify which jobs were going to be lower paid non-core. All they said was 120 days after the contract the International would come to the plant to decide which jobs were which.

"Look what happened to the Delphi workers. It started with two-tier wages and non-core jobs and by the next contract everybody was working for the lower pay. The International rep boasted that the Chrysler agreement was modeled after Delphi. It doesn't take a genius to see where we are all heading."

In the face of this mass opposition, how did the UAW succeed in pushing through the contract?

After the bureaucracy's defeat in Indiana, the fate of the contract depended on four locals in the Detroit area. With its chances to gain control of the VEBA in danger, the UAW threw the full force of its bureaucratic apparatus into an intense campaign to get the contract passed at four assembly and stamping plants in Warren and Sterling Heights.

An army of appointed union officials descended on the factories. If the workers rejected the contract, they threatened, workers could find themselves out of a job or involved in a long strike or lockout against intransigent and deep-pocketed Cerberus. With the implicit understanding that the UAW would do nothing to win such a struggle, many workers were persuaded to reluctantly accept the deal.

The threat of economic destitution is real, especially in the Detroit area. The metropolitan area has lost 126,000 jobs since 2000, in large measure due to the complicity of the UAW in the downsizing of the auto industry. The Detroit metro area has the highest unemployment rate in the nation, with thousands of home foreclosures each month. According to the Census Bureau, Wayne County, which includes Detroit, lost more people from the beginning of 2005 to the end of 2006 than any US county except the four counties in Louisiana and Mississippi devastated by Hurricane Katrina.

The national news media took note of the intensive "lobbying campaign" carried out by the UAW, which included sending top officials to the shop floor and issuing emails and leaflets to all Chrysler workers. The *Washington Post* wrote, "On the line, Aaron Devers, 47, who works at Sterling Heights Assembly, found himself buttonholed by one of the half-dozen committeemen from the United Auto Workers who were trying to win him over. 'They are saying it's a good contract and it's the best they can get,' Devers said. 'But everybody thinks it's a bad deal. People are afraid of it.'"

The assembly plant was particularly targeted after UAW Local 1700

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President Bill Parker opposed the contract, saying Chrysler had refused to provide guarantees it would produce future products at Sterling Heights Assembly or most other factories. The UAW denounced opponents for spreading "misinformation" and sent UAW Vice President General Holiefield to meet with 60 of the local officials—without Parker—where he made it clear that it was in their best interests to support the contract.

Holiefield had previously sent a letter to all appointed local officials, which he demanded be returned with a signature pledging support for the contract. This was a thinly veiled threat to thousands of officials on the International union's gravy train that they could lose their salaries and end up back on the assembly line if they didn't go all-out for the contract.

When the vote was completed Wednesday night, 65 percent of the workers at the Sterling Heights Assembly plant approved the deal and the UAW was able to push its contract through at all four Detroit-area Chrysler plants.

A retired Chrysler worker and former union committeeman described the process to the WSWS. "There are a lot of appointees on the local level whose positions must be approved by the International, like those involved with PQI (Product Quality Improvement) and other jointness programs."

UAW President Ron Gettelfinger and his Administration Caucus had established "a miniature political party inside the union that parallels the Democratic Party's ward system," he said. "Like precinct captains, these appointees stay in touch with the people and if they do a good job they get rewarded with a position or get 'lost time,'" he said, referring to the system in which union officials get time off from work for "union business" while still receiving their pay.

"It is a very well structured patronage system," he added. "If you promote their view on things, you get a few crumbs off the table. To the rank and file it appears very innocent, like they are just promoting the union. But when a crisis comes and there is a deviation between what the membership and leadership wants this structure is called in. They go out and follow orders, in this case to pass this contract, by any means. If they don't they are likely to lose these small, and in some cases not so small, privileges."

Referring to UAW Local 140 at the Warren Truck assembly plant, which voted to approve the deal by a large margin Wednesday, he said, "Holiefield ran the information meeting. They play on anything. If they can make someone afraid about losing their job, they will intimidate. Sometimes they'll say, 'Remember, I got your job back for you—it's payback time.' They have all the mechanisms to use.

"In some places, especially away from Detroit, their hold is weaker. In places like Kokomo and St. Louis the rank and file found it easier to express themselves. In Detroit, however, it was easier for them to put out the fires. They are firemen, that's all."

He continued, "The corporations know they are paying for featherbedding, but they need a structure that is inside the workforce to control it. It's very insidious. Instead of paying a Harry Bennett and ex-cons and murderers to brutally intimidate the workforce, they pay these guys to be the structure, to promote company unionism.

"I call them labor contractors," he concluded, comparing them to so-called coyotes who smuggle undocumented immigrants across the Mexican border to deliver them to their bosses in the US. "'Hey boss, how much you going to pay me to deliver these guys?'—that's what they're like. They transport them in the back of semi-truck without water or food. Some of them make it, some don't."

For their part, Local 1700 President Parker and the other dissidents associated with the New Directions faction of the UAW bureaucracy offered no serious resistance to Gettelfinger and Solidarity House. From the beginning Parker's criticisms of the contract were couched in appeals to Gettelfinger to sign a contract with Chrysler that included the so-called job guarantees included in the General Motors-UAW contract. If the union got these agreements, Parker said, it would garner support from local leaders and the general membership.

In fact the so-called commitments GM made were worth no more than the scores of other "job security" deals over the last three decades, during which time Detroit's Big Three automakers eliminated 600,000 union jobs. In the two weeks since the agreement with GM was approved the company has announced the indefinite layoff of 2,600 workers at plants in Detroit, Pontiac and Lansing.

On the eve of the vote Holiefield suddenly announced the existence of a previously undisclosed "secret" agreement with Chrysler committing it to build products at the Sterling Heights plant until at least 2016. While workers met this claim with skepticism and disbelief, the opposition from the Local 1700 leadership all but melted away.

The most destructive illusion Parker and the other dissidents promoted is that workers can transform the UAW into an instrument to defend their interests through rank-and-file pressure. The present contract and the undemocratic methods of the bureaucracy, they claim, are just blemishes on an otherwise healthy organization.

But the GM and Chrysler agreements are not an unexpected or surprise development. They are the product of more than three decades of degeneration, in which the UAW has sought to integrate itself into the structure of corporate management. While auto workers have suffered repeated setbacks, the UAW bureaucracy has insulated itself from the financial impact of the loss of hundreds of thousands of dues-paying jobs through the establishment of scores of labor-management structures.

In response to globalization and the outsourcing of jobs to lower wage regions of the country and the world, the UAW worked with management to transform the US auto industry into a cheap labor haven in order to retain investments and preserve dues income.

The setting up of the VEBA trust fund is the culmination of this process. The union is now being transformed into a profit-making business—which would be better known as "UAW Inc."—that will give Gettelfinger and his cronies millions, while they slash the health-care benefits of retirees and their families.

Among the most politically conscious workers there is a growing recognition that the UAW does not represent them. In the coming months auto workers will come into direct confrontation with the UAW, as it seeks to implement the most reactionary labor agreement in history.

The prerequisite of any serious struggle against the corporate bosses is a decisive break with this outlived and corrupt organization and the construction of new organizations of struggle, which will unite auto workers in the US and internationally against the global auto giants. Above all this means the building of a political movement of the working class against the profit system and the two big business parties that defend it, in order to advance a program that defends the interests of working people, not the wealthy elite.

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