

UAW moves to prevent defeat of Chrysler contract

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United Auto Workers union locals at four major factories in the Detroit area on Wednesday ratified the tentative agreement signed between the UAW and US number three automaker Chrysler LLC.

The votes at assembly and stamping plants in Warren and Sterling Heights came amidst an aggressive campaign by the UAW—backed by the Detroit news media—to push the contract through at locals that had not yet voted.

Although the contract was ratified by large margins, particularly at the Warren Truck Assembly Plant and the stamping plants in Warren and Sterling Heights, nearly 1,800 out of the approximately 7,100 workers who voted turned down the deal. A third of the members of Local 1700 at the Sterling Heights Assembly Plant voted ‘no.’

The deal gives a green light to Chrysler’s Wall Street owners—the private equity firm Cerberus Capital Management—to accelerate plans to shut down and sell off dozens of factories. Previously announced cuts of 15,000 hourly and salaried positions are only the beginning. Top management is already discussing eliminating at least five vehicle models.

In addition, the contract will slash future workers’ wages by half, freeze the wages of current workers and abolish employer-paid retiree health care coverage. In exchange for sacrificing the jobs, wages and benefits of auto workers, the UAW will take control of a multi-billion-dollar retiree health care trust fund, called a voluntary employees’ beneficiary association, or VEBA, and go into business as the proprietor of one of the largest private investment funds in the US.

On the eve of Wednesday’s voting, which took place at plants that employ 20 percent of Chrysler’s US workforce, top union officials were dispatched to the shop floors of the factories to campaign for the contract. Thousands of emails and leaflets were distributed denouncing opponents of the agreement for spreading

“misinformation” and promoting the lie that the contract will preserve jobs.

The Detroit news media joined in the effort, with auto analysts telling workers that the rejection of the deal would only lead to an even worse contract. Others said Cerberus would respond by locking out the workers, while still others floated the idea that the UAW would simply organize another vote without renegotiating the deal.

After the ballot, Melvin Thompson, president of Local 140 at Warren Truck, called the vote—from which more than 40 percent of his members abstained—“an overwhelming success.”

The Detroit area votes occurred the day after workers at the largest Chrysler local in the country, which represents 4,500 workers at three transmission plants in Kokomo, Indiana, delivered a resounding defeat to the contract. Seventy-two percent of the 3,159 workers who voted from UAW Local 685 cast “no” votes, according to a local union steward. At nearby Kokomo Casting, 78 percent of 751 voters turned down the contract, a UAW official said. That local represents 800 workers.

As of Wednesday evening, at least nine locals, including those representing workers at four large assembly plants in Michigan, Missouri and Delaware, had rejected the deal. All together, these locals represent more than 16,500 workers. At least 21 locals, including many smaller units, representing an estimated 22,200 workers, have accepted it, according to press reports.

For the contract to pass, a simple majority of the 45,000 eligible UAW members who cast ballots must approve it.

The last major vote will take place on Friday and Saturday at the assembly plant in Belvidere, Illinois, which employs 3,400 UAW members. The local leadership has opposed the contract and there is deep sentiment against it, particularly among the hundreds of temporary employees who are not being hired as full-time

workers under the terms of the agreement. In the UAW-GM contract, some 4,000 temporary employees were promised full-time positions, although they will be paid 70 percent or less of the traditional rate and receive substandard health care coverage.

The UAW has released only percentages of “yes” and “no” votes at the various locals that have voted, not the actual number of votes for and against. Several locals have not even released percentages.

Given the high-handed tactics of the UAW bureaucracy and its contempt for the democratic rights of its members, none of the figures presented by the UAW can be taken at face value.

If the contract is rejected, it will mark the first national auto contract to be voted down since 1982, when Chrysler workers fighting to recover the wages and benefits they lost during the 1979-80 Chrysler bailout voted down the contract negotiated by the union. After the rejection, then-UAW President Douglas Fraser, a member the corporation’s board of directors at the time, forced workers to vote again on a “modified” contract that handed over to Chrysler a total of \$1.1 billion in concessions—nearly \$10,000 per worker.

Local 1700 President Bill Parker has publicly opposed the new contract, citing Chrysler’s refusal to make commitments on future production at his plant and most others beyond the 2011 expiration of the tentative agreement. Parker has urged UAW President Ron Gettelfinger to renegotiate the contract to include so-called job protections contained in the UAW-General Motors agreement, saying that if the UAW leadership “resolved that issue alone, it would go a long way to satisfying not only the general membership, but also local leadership.”

In fact, the job commitments made by GM are entirely contingent on “market conditions.” They are no more real than those made in previous contracts going back a quarter of a century, a period which saw the destruction of 600,000 UAW jobs at the Big Three US auto companies. In the two weeks since the UAW-GM contract was approved, GM has announced the elimination of the second shift at factories in Detroit, Pontiac and Lansing, resulting in the indefinite layoff of 2,600 workers.

On the eve of the vote by Local 1700, UAW Vice President in charge of the Chrysler Department, General Holiefield, told leaders at the local that the Sterling Heights assembly plant would be guaranteed production until 2016 under a previously undisclosed “secret” understanding between the union and the company.

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the vote at the Sterling Heights Assembly Plant Wednesday. A worker with eight years said, “I’m most concerned about this core and non-core business—that’s what I asked about. Are they going to lay off all the core workers who make higher wages and do the same thing Delphi did, making everyone work for a low wage? I can’t go for all the Mopar parts workers working for non-core wages either.”

Another worker said, “It’s not about the money, it’s about making sure you have a job. I’ve worked here for eight years, but I need to know that my job is guaranteed for the next twenty years.”

Another worker said, “Cerberus is not exactly the most trustworthy company. It’s clear they want to get rid of lots of jobs and that’s what I don’t like.”

Jenise, a worker with eight years, said, “Why are they keeping secret whether they are going to invest in their US plants? Is Cerberus going to shut the plants here and go global by building factories in Mexico, Canada and China? How can you plan anything if you don’t know whether you are going to have a job four years from now?”

When this reporter pointed out that auto workers around the world were confronting an assault on their jobs and living standards by the global auto giants, Jenise responded, “Workers should unite globally too. We are so close to Mexico and Canada.”

“Here at Sterling Heights,” she continued, “they try to get us to compete with other Chrysler plants. When they talked about a new location for a midsize car, we were told that we were up against the Belvidere, Illinois plant, which is one of the newest plants. They also hired hundreds of temporary workers to cut costs there. Four years ago we were competing against a plant in Missouri to see who would give up more wages and working conditions. That’s how they play that game.

“As for the VEBA, that already failed at Caterpillar and other companies. It was supposed to last so many years, and then after just a few, it went under.”



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