

Confronting anger over two-tier wages and low pay

US auto union president postures in advance of 2015 contract talks

Shannon Jones
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In advance of the September 2015 contract expiration for 139,000 workers at the three Detroit-based automakers, United Auto Workers (UAW) President Dennis Williams said pay increases were at the top of the union's agenda and it would seek to "close the gap" between higher paid workers and workers making lower second-tier wages in the upcoming talks.

The remarks came at a media roundtable held at UAW headquarters in Detroit Monday. Williams criticized the two-tier wage, noting that workers did not earn enough to buy the cars they were building. He did not, however, call for its elimination. Instead, the UAW chief called for an unspecified wage increase for both second-tier and veteran, so called legacy, workers.

At the same time, Williams said the UAW would "not repeat the sins of the past," stressing that the UAW was committed to maintaining the "competitiveness" of the auto companies—a code word for the ceaseless concessions the UAW has imposed on workers over the last three-and-a-half decades.

The two-tier wage was first established in 2007 and expanded in 2009 during the Obama administration's forced bankruptcy and restructuring of General Motors and Chrysler. The wage applies to all new workers, who currently start at about \$16 an hour and, beginning next year, will top out at \$19.28. That compares to the standard base wage of \$28 an hour.

Significantly, Williams said nothing about the widely despised Alternative Work Schedule (AWS), which has been implemented at a number of Ford and Chrysler plants. Under the AWS, workers are assigned to staggered 10-hour shifts without payment of overtime after eight hours. Workers do not get paid for their lunch breaks and must work on Saturday at straight

time.

Williams' remarks reflect extreme nervousness within the UAW over the pent-up anger of auto workers over their declining living standards. Once among the highest paid industrial workers in the United States, decades of concessions have reduced a large section of the workforce at the Detroit auto companies to near-poverty level wages. Currently, more than 40 percent of workers at Chrysler earn the second-tier wage, with 17 percent at General Motors and 23 percent at Ford. Veteran workers making top wages have not seen a pay increase in nearly a decade.

The UAW, which recently pushed through a 25 percent hike in union dues, is also concerned about the impact of the recently enacted "right to work" law in Michigan, which will take effect once the current labor agreement expires. Under this law, workers will no longer be required to pay union dues as a condition of employment. The UAW executives are worried about a mass exodus of auto workers, particularly young auto workers, who see no reason to support an organization hostile to their interests.

Further increasing tensions are the massive profits being racked up by all the major car companies. The slashing of wages and the continuous erosion of working conditions implemented in partnership with the UAW have enormously lowered the cost of production.

Chester, a second-tier worker with two years at the Chrysler Warren Truck plant outside of Detroit, spoke to the *World Socialist Web Site* about the upcoming contract talks. "I think everyone should get a wage increase. Even tier one workers haven't had a raise," he said.

“But I hear they are talking about keeping the two-tier wage for at least another 10 years. Fiat has all this money coming in. The last thing they are thinking about is us. It’s like the company has the union right in their pocket.”

UAW contracts with Ford, Chrysler and General Motors expire in September 2015. The union holds a bargaining convention in March and contract talks are set to begin in early summer. More than nine months in advance of the contract deadline, Williams issued a statement virtually ruling out a strike, declaring, “striking is a failure on both parties’ part. We don’t plan on failing.”

There has not been a significant company-wide strike against any of the major auto makers in decades.

Where the UAW has called strikes, it has been for the purpose of letting off steam in order to better impose concessions. Such was the case with a one-day strike called by the UAW at the Lear seating plant in Hammond, Indiana last September. The UAW called the strike a “stunning” success, even though workers at the company’s 23 other seating facilities in the US did not join the walkout.

While the UAW claimed the settlement eliminated the two-tier wage, it later emerged that this was a lie. Second tier workers got a raise, but the deal created a permanent class of lower-paid “subassembly” workers who earn even less than second-tier workers under the old system. (See: UAW creates new class of low-paid workers in deal at Indiana Lear plant).

Meanwhile, the UAW is seeking to expand its dues base by promising European and Asian auto makers, which operate plants in the southern US states, that it will provide them with the same “success” it has given the Detroit auto makers. In Chattanooga, Tennessee, Volkswagen is doing everything it can to bring the UAW into its plant, even though workers have voted to reject the union.

A veteran auto worker contacted by the WSWs expressed deep skepticism over the claims by the UAW that it would launch a fight against the two-tier wage. Will, a Chrysler Warren Truck worker with 13 years seniority, said, “I think there may be some improvement for the two-tier workers. But they have taken so many things from us already. I would like them to restore our full break time. I would like to see cost of living re-instituted, the attendance policy

changed. I’d like to see our vacations back so that we can take them when we want them, not just during shutdown.

“I don’t see any of this happening. The union won’t fight for it. It is not in their best interests. We will still have the two-tier wage after this contract. There is no question about it. They are only talking about it to quiet everybody down.

“They will probably raise the two-tier wage, maybe even to \$25. But then the next contract, they will take the tier-one workers down to that level. That’s what I see happening. They might even offer us a buy-down--‘We will give you money to accept a lower wage.’ It will have to do with how many veteran workers they have left.”

He remarked on the decision by Volkswagen to help the UAW organize its Chattanooga plant. “That’s a first. The company actually wants the union. That’s crazy.”

The fact that Volkswagen is seeking to impose the UAW on its workforce once again demonstrates the anti-working class character of this organization. After decades of union-management collaboration, in which the gains of past generations of auto workers have been stripped away, the UAW has been transformed into a business enterprise that serves the corporations and the government as a provider of cheap labor and a police force for suppressing the resistance of the workers.



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