

The issues in the US auto contract talks

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Contract negotiations between Detroit automakers and the United Auto Workers (UAW) are set to start July 13, with critical questions affecting the jobs, wages and working conditions of 140,000 workers at GM, Ford and Fiat Chrysler hanging in the balance.

As the formal start of talks approaches, the UAW is keeping workers in the dark. Workers in the factories who ask shop stewards and committeemen about the union's strategy cannot get any straight answers.

While maintaining this conspiracy of silence against workers, UAW President Dennis Williams held a press conference at the union's headquarters in Detroit last week for the corporate-controlled media, including the *Wall Street Journal* and the *New York Times*. Williams made it clear that the union's rhetoric about "bridging the gap" between tier-one and lower paid tier-two workers was only to appease angry workers. He reassured reporters that the UAW would never do anything to impinge on the profits of the auto companies and their Wall Street investors.

Williams raised the possibility of saving the auto companies billions by relieving them of paying health care benefits for active hourly workers as well as the companies' salaried employees. He proposed creating new health care trust funds modeled on the Voluntary Employee Beneficiary Association (VEBA) set up for retired workers. This would put the UAW in charge of cutting the health care benefits of active workers in the same way it has for retirees, while providing UAW executives with another multibillion-dollar investment fund.

Asked about the auto companies' expansion of production in Mexico, Williams rejected any effort to unite US workers with their brothers and sisters across the border to fight the attack on jobs and living standards. On the contrary, he said that the UAW will help the auto companies sweat more productivity out of US workers to better compete with low-paid workers in

Mexico: "We've got to get the number of hours down that it takes to build a vehicle."

Not addressed by Williams, but lurking in the background, are proposals by GM and Ford to create a "third tier" of low-paid workers earning between \$10-15 an hour who would perform supposedly unskilled work, such as sorting parts. Williams has already signaled the UAW's willingness to discuss the proposal, which would supply the union with a fresh influx of workers who would have to pay dues to the UAW for the privilege of earning poverty wages.

Williams, meanwhile, downplayed the significance of the calls by Fiat Chrysler CEO Sergio Marchionne for a merger with General Motors or another company. Williams said this would "have no impact" on the negotiations, even though it is widely understood that such a merger would lead to a wave of factory closures and mass layoffs.

This was spelled out by *Detroit News* columnist Daniel Howes, who wrote: "If Sergio Marchionne has any success landing the newest target of his desire, the most likely flashpoint in the United Auto Workers' looming talks with Detroit's automakers won't be about the contract at all. It'll be the fate of his hourly workers and their plants."

Concerning a Fiat Chrysler union with GM, Howes asked rhetorically, "Would a combined company need Chevrolet, Dodge and Chrysler in the United States and Canada? Nope. Jeep? Yes. GMC and Ram Trucks? Doubtful. Fiat and Opel in Europe? Maybe. Latin America? Debatable. China? Advantage GM, most likely."

Such massive cuts, Howes said, would require a "grand bargain" with the UAW—in other words, a proper payoff for the union to support a new round of job cuts.

The media presentation of the contract talks as a confrontation between two antagonistic forces—the

representatives of the workers and the spokesmen for the auto companies—is utterly false. Instead, two business entities—the UAW Inc. and corporate management—will spend the next few months conspiring to increase the exploitation of workers and company profits.

At the end of this charade, workers will be presented the “highlights” of a contract, covered over with double-talk and smoke and mirrors. Then the UAW will go to work telling workers they must accept even more sacrifices to “save their jobs.”

The worst thing would be for workers to adopt a “wait and see” attitude based on the false hope that the UAW can be persuaded to fight for their interests. The UAW long ago ceased to unite workers to improve their wages and conditions. It has spent nearly four decades collaborating with the corporations to *reduce* the share of national income that goes to workers. It has been rewarded for these services with multibillion-dollar VEBA funds, billions in transfers from the corporation to various labor-management committees run by the UAW and seats on corporate boards.

A real fight to defend the interests of auto workers is both possible and necessary. To carry out a struggle, however, workers must take immediate steps to build new organizations, democratically controlled by the rank and file and based on an entirely different political strategy. These organizations must begin with the needs of the working class, not the defense of a system, capitalism, that enriches the few at the expense of the many.

Auto workers must reach out to workers at the parts supplier plants, employed and unemployed workers and youth in the neighborhoods, and workers at foreign transplants to shut down the auto industry. A special appeal must be made to workers in Canada and Mexico, as part of the fight to unite the working class internationally against the global auto companies, which pit workers against each other.

A move by auto workers to break the grip of the UAW and oppose the growth of social inequality will meet ferocious opposition from the Obama administration and will be met with court injunctions and the threat of police repression. The Obama administration has based its strategy of lowering the wages of workers throughout the country on the imposing of poverty-level wages on auto workers.

This raises the need for the development of an independent political movement of the working class, against the Democrats and Republicans, the twin parties of Wall Street.

To break the stranglehold over economic and political life by the banks and corporations, the working class needs a party of its own that will fight to abolish social inequality by establishing a workers’ government. The auto industry and other giant industrial monopolies as well as the banks must be nationalized under the democratic ownership of the working class to provide the resources for the reorganization of social life on an egalitarian and rational basis.

We call on auto workers who want to take up the fight to build rank-and-file committees for this struggle to contact the Socialist Equality Party.



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Socialist Equality Party visit:

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