

# UAW-GM talks open in Detroit

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Formal contract talks between the United Auto Workers (UAW) and General Motors began Monday at the UAW-GM Center for Human Resources on the Detroit riverfront with the traditional handshake between auto executives and UAW officials. The ceremony marked the beginning of the talks between Detroit automakers and the UAW, with negotiations between the UAW and Fiat Chrysler set for today and Ford on July 23.

The handshakes were more than a symbolic gesture. Instead they express the conspiratorial character of the entire exercise, which is aimed at forcing autoworkers to accept even deeper concessions after nearly four decades of UAW-backed attacks on jobs, wages and work conditions.

The WSWS was denied entrance to the start of talks. This follows a longstanding policy of the UAW of barring WSWS reporters from media events where they may pose pointed questions. For its part, the corporate media continues to promote the myth that the UAW represents the interests of autoworkers and is bargaining on their behalf.

The opening formalities had all the trappings of an in-house event, held in a mood of mutual praise and backslapping. In a statement issued at the start of the talks, UAW President Dennis Williams declared, "Our goal is for GM to prosper, for shareholders and consumers to win and for all UAW members to share in the prosperity of their achievements. We can all win."

In a press release the UAW praised GM, boasting of the role of the UAW in driving up the company's bottom line. "Collaboration between the UAW and General Motors, through collective bargaining, has greatly benefited both American working families and General Motors since the last round of talks, including an approximate \$6.6 billion North American profit for 2014, roughly 10,000 added jobs."

Underscoring the identity of interests between the

UAW and GM, most negotiators wore identical blue shirts, with UAW and GM logos emblazoned side by side.

While the UAW spouts on about "shared interests" of workers and the corporations, in reality the auto bosses, with the full backing of their company union, are waging a war against autoworkers and their families. The Detroit car manufacturers are determined to further drive down labor costs which have already been halved since 2007. On the eve of the talks, Ford announced it is shifting production of its Focus compact and C-Max hybrid and plug-in models to Mexico after 2018, putting the jobs of 4,000 workers on the line.

Meanwhile Fiat Chrysler CEO Sergio Marchionne is pushing for a merger with another automaker, possibly GM, that would destroy tens of thousands of jobs.

In comments to *USA Today* UAW President Dennis Williams said, "These negotiations will not be easy." This is not a reference to the difficulty of reaching an agreement with the auto companies. The parameters of such a sellout are already taking shape. What Williams means is that it will not be easy for the UAW to ram further concessions down the throats of a restive and aroused rank-and-file, particularly with the corporations making huge profits.

After decades of concessions workers are determined to win back what the UAW has handed the companies. In particular workers want to abolish the two-tier wage, which pays new hires substantially less than senior workers. Top tier workers are looking for a substantial wage increase after a decade of no raises.

A worker at the Fiat Chrysler Warren Stamping Plant outside of Detroit told the WSWS, "I just want there to be equality. Why does upper management get all the pay raises? People like us who are just trying to make a living and provide for their families get nothing."

A coworker remarked, "They keep hiring on people and making them tier two. So when they give these tier

two guys a raise, worth a few dollars, the UAW tries to make it seem like they're doing something. But if you look at the long term they're not doing anything."

The carmakers and the giant hedge funds that stand behind them are not only resisting any attempts to eliminate the two-tier wage, they are pressing for the creation of a third tier of super-exploited workers. They oppose any pay increases in favor of one-time lump sum payments, which are tied to productivity and profits.

One area where the auto companies will seek major cuts is health care costs. As talks open, health benefits for US autoworkers are being denounced in the corporate press as "gold plated" and "Cadillac" plans because of relatively low deductibles and absence of copays. Ford complains that its health care costs have risen 45 percent since 2011 while the same figure for Fiat Chrysler is 77 percent.

Beginning in 2018 the auto companies will be responsible for paying the so-called "Cadillac tax" contained in the Obama administration's Affordable Care Act. Employers will be hit with a 40 percent excise tax for plans that cost more than \$10,200 for an individual and \$27,500 for a family.

The corporations plan to shift these costs onto the backs of workers—who will be forced into inferior plans—and sharply reduce the companies' outlay for health care coverage. The UAW, which is allied with the Obama administration and the Democrats, have long complained that high health care costs have made the US-based automakers less competitive than their foreign rivals.

In comments prior to the start of talks, Ford UAW Vice President Jimmy Settles indicated that the union was open to discuss health benefit changes. "I doubt if it's untouchable; we're not the only ones putting demands on the table," he said in remarks reported by the *Detroit News*. "There's always things to do better."

The UAW has already floated the idea of expanding its Voluntary Employees Beneficiary Association (VEBA) plan to cover both hourly and salaried employees health care. The VEBA, controlled by the UAW, currently covers retiree health benefits. Its establishment saved the auto companies billions in health care costs while giving the UAW an incentive to reduce benefits by hiking copays and deductibles. The average UAW retiree covered under the VEBA

currently pays 11 percent of their health costs through deductibles and copays. That compares to the six percent of costs paid by active employees covered under the current traditional plans.

Over the past decade, the UAW has overseen a huge decline in the wages and benefits of auto workers, with hourly per worker labor costs for Fiat Chrysler to \$48 an hour, on par with the non-union factories in the southern US owned by Honda and Toyota. GM stands at \$58 an hour and Ford at \$57, a gap the automakers vow to eliminate in the course of the current round of talks.

The 2009 restructuring of GM and Chrysler by the Obama administration set the pattern for driving down manufacturing wages throughout the US economy. Median manufacturing wages fell 4.4 percent between 2003 and 2013 according to the National Employment Law Project.



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