

UAW keeps sellout plans concealed as talks open with Ford

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While the United Auto Workers is maintaining a formal silence on the progress of contract talks with Ford, Fiat Chrysler and General Motors, behind the scenes the parameters are being laid out for a betrayal of auto workers.

The contract for some 139,000 auto workers at the Detroit carmakers expires in mid-September. Talks officially began last week with GM and Chrysler and started Thursday with Ford.

While the talks continue to be presented as a conflict between two antagonists, nothing could be further from the truth. Both the auto companies and the UAW are united in their hostility to workers. In advance of the talks, the UAW has made it clear that it will do nothing to seriously impede the flow of profits into the coffers of the automakers.

As talks opened with Ford, the company's executive chairman Bill Ford raised the issue of health care costs, declaring, "we are looking for a fair and competitive agreement that allows us to continue investing in US manufacturing." Under conditions where Ford has already announced that it will shift production of the Focus compact and C-Max out of the Michigan Assembly Plant in Wayne, likely to Mexico, the threat was clear. No new product has been slated for the plant in suburban Detroit, jeopardizing the jobs of its 4,000 workers.

The UAW has already indicated that it is interested in setting up a trust fund, similar to the one established for retirees, to cover the health care costs of salaried and hourly workers. This would put the union in control of a multibillion-dollar investment fund and open the way to cuts, including higher deductibles and copays.

Both the companies and the UAW are further motivated to slash workers' health benefits because the 40 percent "Cadillac Tax" included in Obama's

Affordable Care Act will go into effect in 2018. The measure was designed to shift the burden of health care costs from employers to workers.

However, auto workers are in no mood for more concessions. The auto companies are flush with cash due to booming sales and profits. This week GM reported a doubling of its quarterly profit to \$1.1 billion based on rising truck sales in the US and stronger than expected performance in China.

Under these conditions, and despite threats, auto workers are demanding and expecting a recoupment of past cuts, in particular the elimination of the hated two-tier wage.

A senior worker at the Chicago Ford Assembly Plant told the *World Socialist Web Site*, "I vehemently opposed giving away cost-of-living raises because anything you lose you are not getting back.

"The UAW is using scare tactics here. A lot of us are in debt, so they are using the fear of losing your job to say you have to give concessions."

He told the WSWWS that UAW Local 551 officials say that wage increases, especially for tier-one workers, are not going to happen. "They are telling us that getting a raise is 'nonnegotiable.'

"But, look! Didn't Ford make lots of money? Somewhere we have to take a stand or otherwise they will keep taking things from us. I think people are opening their eyes."

The auto companies have no intention of agreeing to a settlement that cuts into their record profits. The threats by Ford to shift production follow calls by Fiat Chrysler CEO Sergio Marchionne for a merger, possibly with GM, a move that could lead to thousands of job cuts.

A July 10 piece by *Detroit News* columnist Daniel Howes reflected the nervousness in ruling circles over

the ability of the UAW to impose yet another pro-employer sellout. Voicing concern over the power of social media to influence the course of events, Howes wrote, “If there’s a wild card in this year’s talks, it’s the power of Facebook and Twitter to turn rumor into fact. In seconds, as UAW leaders have repeatedly warned their own bargaining teams, old information and discarded proposals overheard at the dinner table or in a union local office can be spread by anyone with a smart phone, an ipad and the urge to emote.”

In other words, if the full details of the sellout agreement leak out, the UAW may not be able to stop rank-and-file workers from defeating it in a ratification vote.

With anger in the plants at the boiling point, the UAW is looking for a means to placate demands for the elimination of the two-tier wage and a pay increase for veteran workers. A recent piece in the *Detroit Free Press* detailed several options for dealing with the question.

One variant would entail raising second-tier workers’ pay while freezing the top-tier wage, laying the basis for the eventual elimination of the higher tier-one rate as older workers retire. This is reportedly the most likely option, according to the *Free Press*.

Another possibility is the creation of a multiyear pay scale that would eventually take tier-two workers to the top pay level. This would be similar to what exists now for Canadian auto workers, where the UAW’s counterpart, Unifor, has agreed to stretch out the period to eight years.

A third variant would see the reinstatement of a cap on the number of tier-two workers. As part of the Obama’s administration’s 2009 restructuring of GM and Chrysler, the UAW agreed to eliminate the cap on the number of tier-two workers at the two companies. Since that time Fiat Chrysler in particular has hired thousands of new workers at the lower tier wage—which now constitute 45 percent of the workforce—making it unlikely that it would agree to a new limit.

The least likely option according to the *Free Press* is the elimination of the two-tier structure altogether. It declares, “Top auto executives have vowed to keep labor costs competitive with Asian and German carmakers with plants in the US and say the industry cannot afford to repeat the sins of the past. So this will not happen.”

Far from eliminating the tiers, the UAW and automakers are looking to create a permanent division in the plants between assembly workers and so-called unskilled parts handlers. According to the *Free Press*, parallel to discussions on the two-tier wage, the talks are considering creating a “third tier” of jobs at a pay rate lower than the current tier two. This category would include non-assembly work that is currently done by supplier plants.

Such an arrangement would likely be patterned on the agreement last year at Lear Seating in Hammond, Indiana. The deal agreed to by the UAW created a new class of “subassembly” workers with a pay rate starting at just \$11 an hour and capped at \$15.25, lower than the current two-tier rate in the auto factories.

To prevent another sellout, workers must organize now by building rank-and-file committees independent of the UAW and the auto companies to prepare for an all out struggle. These committees must establish lines of communication between the plants and with auto workers internationally, including fellow auto workers in Mexico.

The confrontation with ruthless multinational auto companies requires that workers adopt a new political strategy. Workers must mobilize as an independent political force in opposition to the Obama administration and the entire Democratic and Republican two-party setup.

The domination of economic life by a handful of banks and giant corporations dedicated to the pursuit of private profit is irrational and intolerable, condemning large sections of the world’s population to poverty and threatening ever more destructive wars. The stranglehold of the billionaires over society must be broken by uniting the working class internationally in the struggle for socialism. This means the reorganization of production on a planned, rational basis to meet human needs, not corporate profit.



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