

UAW officials pledge no push for big gains in contract talks

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With US automakers recording huge profits the United Auto Workers is effectively ruling out any push for significant wage or benefit increases in ongoing contract negotiations. Recent remarks by UAW officials again make it clear the union is preparing a sellout tailored to the needs of the auto companies and the Obama administration's policy of lowering wage and benefit levels in the US.

The contract covering 139,000 autoworkers at Detroit-based carmakers expires September 14. There is a fighting spirit among autoworkers, who are demanding an end to the hated two-tier wage system that pays workers hired after 2007 little more than one-half the wages of senior workers. Sentiment is also strong for a significant wage increase and the restoration of cost of living adjustments for traditional workers who have not had a raise in a decade.

The determination of autoworkers to recoup past concessions is reinforced by the fact that both Ford and General Motors beat expectations, recording profit margins in excess of 10 percent in the second quarter of this year. Meanwhile, Fiat Chrysler boasted a much improved 7.7 percent rate. The average profit margin in the global auto industry is three percent.

Responding to reporters' questions about booming auto earnings UAW Vice President for Ford Jimmy Settles said, "We negotiate smart. We don't negotiate for today. We negotiate for the future. We are not negotiating to try to put anybody out of business."

This lacks for little in the way of clarity. The UAW's position in the negotiations is based on the profit requirements of the auto companies, not the needs of autoworkers, despite the fact that US auto companies have racked up \$70 billion in profits since 2011.

Echoing these remarks UAW Vice President for Fiat Chrysler Norwood Jewell said "job security" was at the

top of the union's negotiating agenda. For decades job security has been a codeword used by UAW officials to signify concessions aimed at undermining the hard won gains of autoworkers and boosting the bottom line of the auto companies. The reality is that concessions have not saved jobs. Since the UAW first agreed to concessions at Chrysler in 1979 employment at the Detroit-based auto companies has plummeted by 850,000 jobs.

For decades, the UAW has told workers they had to accept concessions in order to revive the profitability of the corporations and "save" jobs. Now that the companies are making huge profits, it is saying it is impossible to increase wages without driving the companies out of business. In other words, there are absolutely no circumstances, according to the UAW, when workers should receive an increased portion of the wealth they create.

The continuous lowering of wages is the central "growth strategy" of the UAW. In order to attract investment and increase the number of dues-paying members, the UAW has deliberately set out to cut the wages and benefits of American workers.

This can be seen in the recent decision by Ford to shift production of the F-650/F-750 medium duty truck production from Mexico to a facility in Avon Lake, Ohio. This follows the decision by GM to end Camaro production in Oshawa, Ontario and send it to Lansing, Michigan, a move that could destroy the jobs of 1,000 Canadian workers.

For their part automakers are determined to slash their costs even further to match rates at Asian and European-based auto companies operating in the US. Both Ford and General Motors have expressed dissatisfaction with the approximately \$10 differential in their hourly labor costs with the so-called transplants

operated by Toyota and Honda.

Meanwhile, Fiat Chrysler CEO Sergio Marchionne has indicated that the automaker is determined to increase its rate of profit to match that of rivals Ford and GM. Fiat Chrysler already enjoys significantly lower hourly labor costs than its two US rivals due to the large number of lower paid second-tier workers it employs.

UAW Vice President for GM Cindy Estrada joined in the calls for collaboration, praising the recent announcement by GM that it will invest \$877 million in its Flint Assembly Plant to build a new body shop. “This proves once again that when we work together in a collaborative approach, UAW members continue to come up with innovative ways to grow the business.”

In fact, the “collaborative approach” touted by Estrada has produced a disaster for GM workers, their families and whole communities. The planned addition at Flint Assembly is expected create just 650 jobs, but few if any at the plant itself. Since the early 1970s GM employment in Flint has fallen from more than 80,000 to about 7,200 today.

Conditions in many parts of Flint resemble those in the Third World. A series of emergency managers have imposed round after round of devastating cuts. Forty percent of Flint residents live in poverty and more than 50 percent of children.

The corporatist policies of the UAW have served to strangle any working class resistance to plant closings and mass layoffs while gutting wages and benefits. The consequence has been soaring corporate profits and the immiseration of wide sections of the working population.

Meanwhile, the proliferation of joint UAW-management committees and programs has insulated the union bureaucracy from any cuts. Jewell, Estrada, Settles and a host of UAW officials enjoy six-figure union salaries. On top of this, they receive payouts from the VEBA retiree health care trust and above cited joint activities (see: “Who’s who on the UAW negotiating team?”)

While praising the auto companies the UAW is keeping silent on the actual content of the negotiations themselves. Settles said the talks were in their “honeymoon” stage. Adding, “we’re getting the low hanging fruit and progressing quite well.”

In fact, as the *World Socialist Web Site* has repeatedly

warned, the UAW and auto companies are not antagonists but co-conspirators against the jobs and livelihoods of autoworkers. Settles’ description of the auto talks as a “honeymoon” is apt. Both the UAW and automakers are wedded in their defense of corporate profits and their common hostility to autoworkers.

This is demonstrated by the discussion over imposing a “third-tier” of low paid auto workers earning even less than the current pay of second tier workers. The UAW has also expressed interest in expanding the current health care trust fund now covering retirees, to cover active salaried and hourly employees. Under such a scenario the auto companies would offload their current obligation to pay health care benefits to the UAW-controlled VEBA fund, which would get a sizeable, but inadequate, payment. It would then be up to the UAW to keep the VEBA solvent by imposing the necessary cuts on workers.

Providing a further incentive for the auto companies to slash health care costs is the imposition of the Obama Administration’s “Cadillac tax” on health plans deemed too “generous.” The tax is set to go into effect in 2018 and is designed to discourage employers from offering health care to their workforce.

A serious fight to abolish the two-tier wage, defend health care and win a substantial wage increase requires that autoworkers take the conduct of this struggle out of the hands of the UAW establish rank-and-file action committees, democratically controlled by workers and free of the control of the company union.

US workers must unite across national boundaries in a common fight against the global auto corporations. They must reach out to every section of the working class in the US and spearhead an industrial and political fight against the Obama administration and both big business parties.

This means building a new revolutionary leadership in the working class based on a socialist program. Workers interested in joining this fight should contact the Socialist Equality Party and sign up for the autoworkers newsletter.



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