

Contracts to expire at midnight for 141,000 US autoworkers

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The four-year contracts covering 141,000 autoworkers at US factories owned by General Motors, Ford and Fiat Chrysler expire at midnight tonight. The first section of industrial workers to be hit with deep wage and benefit cuts after the financial crash of 2008, autoworkers are determined to recoup their lost income now that the automakers are flush with cash and are funneling billions to wealthy investors.

The negotiations between the United Auto Workers and auto executives have been carried out in an atmosphere of unprecedented secrecy, with UAW officials making the specious claim that telling workers details of the negotiations would lead to damaging rumors. In fact, the framework of another concessionary deal is largely in place, and the conspiracy of silence by the UAW is aimed at preventing opposition from rank-and-file workers.

Autoworkers hired before 2007—so-called legacy workers—have not had a wage increase in more than a decade. Those hired after 2007, or some 40,000 workers, have been dumped into the hated two-tier wage and benefit system, where they earn little more than half the \$28.50 per hour paid to older workers. Autoworkers, determined to abolish the two-tier system and win significant pay increases, voted by a 98 percent margin to authorize a strike.

During Obama's 2009 restructuring of GM and Chrysler, the UAW agreed to a sharp expansion of the two-tier system, the elimination of overtime payments after eight hours, the wiping out of tens of thousands of jobs and the ending of income security for laid off workers. In return, the UAW was handed billions of dollars in corporate stock to fund a retirees medical benefit trust, one of the largest private investment vehicles in the world.

In the current round of talks, the UAW is once again collaborating with the Obama administration and the auto bosses to impose an unprecedented attack on autoworkers

and by extension the whole working class. This involves plans to replace employer-paid health care benefits, won by autoworkers in the 1940s, with a union-run medical plan that would sharply increase copays and force workers into inferior plans.

The UAW has already indicated it will extend the current contracts and that a strike, according to UAW President Dennis Williams, would represent a "failure." In a Labor Day speech in Detroit last week, the UAW president said union and company negotiators "were not at each others' throats."

It is not excluded that the UAW might call a meaningless one- or two-day strike in order to allow a restive workforce to blow off steam while the union works to impose a sellout. This is precisely what happened in 2007, when it called what became known as "Hollywood strikes" at GM and Chrysler, before ramming through a "transformational" contract that included the two-tier wage system.

At the same time, talks could drag out for weeks under extended contracts as they did in 2007 and 2011 when agreements were not reached for a month or more. This would allow the UAW to continue to collect union dues and temporarily sidestep the impact of "right to work" laws in Michigan and Indiana, which will make union membership and dues payment voluntary. In 2012, Obama's National Labor Relations Board changed 50 years of labor law and ruled that companies had to continue deducting dues from workers' paychecks and pass the money onto the unions even after the expiration of contracts.

On Sunday evening, facing increasing unrest among workers, the UAW announced that it had chosen Fiat Chrysler Automobiles (FCA)—the smallest of the Big Three automakers—as the lead company in contract talks.

In a statement, GM pledged to "continue working with our UAW partners" to obtain "an agreement that benefits

employees and strengthens GM's long-term competitiveness." Ford said it was still negotiating and that "our represented facilities will continue to operate under the 2011 UAW-Ford contract until further notice."

Before the UAW was transformed into a complete tool of management in the 1980s, the auto corporations sought to avoid being designated as the strike target because it meant they would face the union's maximum demands for wage, benefit and workplace improvements. Those days are long gone. Now the companies virtually trip over one another to be the first to get a deal from the UAW tailored to their business needs.

FCA has the least cash on hand as well as the highest percentage of lower-paid second-tier workers—44 percent, compared to 29 percent at Ford and 19 percent at GM. FCA Chief Executive Sergio Marchionne has made it clear he considers higher-paid legacy workers to be a "dying class" and that there should be a cap on wages below the current \$28.50. He also wants wages tied more firmly to profits and productivity.

Marchionne enjoys close relations with UAW President Dennis Williams, who collaborated with the Fiat boss in imposing a six-year concessionary deal on farm equipment workers at CNH Industrial (Case New Holland) in 2010, which paved the way for the spinoff of the company and hundreds of layoffs. At the opening of auto talks earlier this summer, Williams and Marchionne skipped the traditional handshake and embraced each other after the UAW president introduced "My friend, Sergio."

Marchionne is also reaching out to various shareholders, including the UAW, to carry out a merger with GM or another automaker that would lead to the destruction of tens of thousands of jobs.

In these contract talks, the UAW is not negotiating on behalf of autoworkers, which it falsely claims to represent. It is seeking to defend the income and business interests of the UAW apparatus and the aspiring investment managers who run the union.

This is underscored in a *Detroit Free Press* article Saturday entitled, "UAW wants to pull in suppliers but pay could be controversial." The article notes that far from eliminating the two-tier wage system, both the corporations and the UAW are seeking to establish a third tier of workers who will make even less than the current second-tier workers.

The *Free Press* wrote: "Management values the flexibility of paying less for people who provide logistics and janitorial services, stamp metal parts or package small

kits that are attached to vehicles along the assembly line. And the union, for its part, sees an opportunity to gain new dues paying members, some of whom might see their wages and benefits improve."

Such workers, union and non-union, making as little as \$9 or \$10 per hour, are already employed by suppliers or dummy companies such as GM Subsystems Manufacturing. Under the proposed scheme, they would be hired directly by the Big Three automakers and pay the UAW, in the form of monthly dues, for the privilege of being union members.

University of California-Berkeley Professor Harley Shaiken told the *Free Press* that explaining the scheme to UAW workers hoping their new contract eliminates the two-tier wage system would be "difficult." Williams "would face a very difficult sales job on it," Shaiken said, "but I think what Williams is concentrating on is what is the best approach for the long-term future of UAW."

In a lead editorial Saturday, entitled, "UAW contract must contain health costs," the *Detroit News* hailed Williams' proposal to expand the union-controlled retiree medical benefits trust to hourly and even non-union salaried employees. "UAW members don't want to pay any more for health care than they currently do, but they also must realize they enjoy some of the best health care plans in the country at some of the lowest costs."

In this battle, autoworkers confront a gang-up of the corporations, both big business parties and the UAW. In order to fight, workers need new organizations of struggle (See: "The way forward for US autoworkers"), including rank-and-file action committees elected and democratically controlled by the workers themselves. Such committees must fight for the broadest mobilization of the working class in the US and internationally against the dictatorship of the banks and big business and for the right to a secure and good-paying job for all.



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