The UAW-Fiat Chrysler deal: A conspiracy against autoworkers

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17 September 2015

The WSWS urges auto and other workers to sign up for the Autoworker Newsletter *and leave your comments. Sign up for the Autoworker Newsletter Facebook page* here.

Tuesday's joint press conference by Fiat Chrysler (FCA) and the United Auto Workers marks a new stage in the corporate-union conspiracy against auto workers. In the wake of the announcement of a tentative agreement covering FCA's 36,000 workers, the union is moving as rapidly as possible to push through the deal, with votes planned as early as next week.

Autoworkers must be warned: Absolutely nothing the UAW says can be believed. The intention of UAW President Dennis Williams and the rest of the executives who run the organization is to conceal or sugarcoat massive concessions and force through the contract before workers have had time to study its contents and implications. This will pave the way for similar agreements at General Motors and Ford.

At the press conference, both Williams and FCA Chief Executive Officer Sergio Marchionne refused to reveal any details of the agreement. However, its basic components are clear from what was said and what has been reported in the media. These include:

* A sharp and permanent lowering of base pay for autoworkers:

In the name of "closing the gap" between senior (tier one) and newer (tier two) workers, the wage ceiling for tier two workers will reportedly be gradually raised over eight years from $19.28 an hour to approximately $25 an hour. This is significantly less than the $28 currently received by tier one workers, who have endured a decade-long wage freeze that has sharply cut their real wages (adjusted for inflation). They will be driven out of the plants by means of grueling work schedules and other measures. The result will be a work force uniformly paid substantially less than what Big Three workers received a decade ago.

By means of "profit sharing" arrangements, nominal wage increases will increasingly be tied to increased levels of exploitation. At the same time, the UAW has already indicated that it is preparing to accept a third tier of even lower paid workers into the factories.

* A fundamental assault on health benefits for current workers:

Both the UAW and FCA stressed the need to "find a way to deal with the escalating cost of health care" (Williams) and ensure a "cost-effective way of managing health care costs" (Marchionne). Proposals to shift the burden of health care costs onto workers have centered on the UAW's call for the creation of a health care fund for current workers modeled after the union-run Voluntary Employees' Beneficiary Association (VEBA) set up for retirees in 2007. The company would pay into the fund much less than it is currently paying for health care, leaving the UAW to cut coverage and services, as it did for retirees.

The UAW would gain control of an expanded multi-billion-dollar health care trust, providing a new source of income for union officials.

* A further restructuring of the auto industry:

At the press conference, Marchionne declared that the economics of the agreement were relatively insignificant compared to the "capital usage" issues confronting the auto industry. This is a reference to plans for a possible merger of FCA with GM, which would lead to the destruction of thousands of jobs. The *Wall Street Journal* noted Wednesday that the negotiations have been aimed, in part, on "testing whether [Marchionne] can rely on UAW President Dennis Williams as an ally in his grander vision." Williams may attempt to sell such a deal during upcoming discussions with GM.

Tuesday's press conference, held at the UAW-Fiat Chrysler Joint Training Center, was a spectacle of union-management collusion. It demonstrated that the negotiations exclude the interests of the workers. Both parties to the talks—Chrysler Fiat and the UAW—are businesses that derive their income from the exploitation of the workers, with the union serving as a labor contractor and industrial policeman for the company. The negotiations concern how the spoils from wage-cutting, speedup and the destruction of the workers' benefits are to be divided between the two parties.

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Williams and Marchionne lauded one another, hailed the "alignment of interests" between the company and the union, and spoke of an end to any "adversarial relationship." Both the union and the company hope to use the new agreement to cement their corporatist alliance, with Marchionne declaring that the UAW "has pulled off what I believe is a necessary next step in our industry."

An essential part of the conspiracy between the company and the union is keeping the workers in the dark. The mutual back-slapping between Williams and Marchionne thoroughly exposed the union's claims that it has to maintain secrecy in order to fight for the workers against management. The purpose of the news blackout is to keep the rank-and-file off-balance and, the company and union hope, foster divisions and demoralization among the workers.

The companies and the UAW both know they confront a workforce that is deeply hostile to their designs. On the eve of the press conference, the UAW had to resort to threats at FCA's Warren Truck Assembly Plant to stop workers from walking out when the contract expired at midnight on Monday.

The UAW also blocked reporters from the *World Socialist Web Site* from attending Tuesday's press conference. This is in line with the campaign of intimidation by union officials directed at WSWS reporters and emails from union officials warning workers not to "believe everything you hear or read." The union is desperate to prevent the truth from getting to the workers.

To fight this new sellout and defend their interests, workers at FCA, GM and Ford must begin organizing now. They should form rank-and-file committees, independent of the UAW, in every plant to discuss the agreement, develop lines of communication with other factories, and mobilize opposition. The WSWS urges workers to reject the fraudulent "highlights" that the UAW will present and insist that workers be given the entire contract weeks in advance of any vote. They must reject the attempts to pit workers against each other and to use meager signing bonuses (reportedly $3,000) to pressure workers to agree to a sharp attack on their pay and benefits.

A successful fight by autoworkers requires an understanding of the forces arrayed against them. Behind the corporations and their demands for an intensified assault on wages and benefits are the major banks and Wall Street investors—the financial aristocracy. After receiving trillions of dollars in handouts following the 2008 economic crisis, the ruling class is determined to force workers to pay for the massive debts than have been built up.

The entire political establishment, both Democrats and Republicans, stand on the side of the corporations and the banks. The Obama administration intensified the assault on autoworkers through the 2009 restructuring of GM and Chrysler, which expanded the two-tier system and imposed deep cuts in benefits for workers and retirees. The health care overhaul proposed by the UAW is in line with "Obamacare," which aims to dismantle employer-paid health insurance and slash health care costs for corporations and the government.

The UAW has long since ceased to be a workers' organization. It has transformed itself into a business whose financial interests are tied to the increased exploitation of the working class. With the VEBA health care fund, the union has established itself as an insurance provider and a major shareholder in the auto companies. The extension of this fund to current workers means that the UAW executives will have an even greater incentive to ensure the continued rise in the stock prices of the auto companies.

Autoworkers have powerful allies: the working class as a whole, in the United States and internationally. Everywhere, workers confront the same demands, the same coordinated attack, whether it is steelworkers, telecommunications workers or teachers in the US, or workers and youth in Europe, Latin America and Asia.

Alongside the mobilization of the industrial power of the working class, there must be a new political strategy. Any struggle to defend jobs and living standards is a political fight against the companies and the government and requires a rebellion against the unions. All of these institutions defend the capitalist system, which is based on the exploitation of the working class in the interests of corporate profit. The WSWS and the *Autoworker Newsletter* are committed to aiding autoworkers in carrying out this struggle.

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