

# Reject UAW sellout! Build rank-and-file committees to fight the union-company conspiracy against autoworkers!

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*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. Download a printable newsletter version of this statement here.*

The *World Socialist Web Site* and the Socialist Equality Party call on autoworkers at Fiat Chrysler Automobiles (FCA) to begin organizing now to defeat the rotten deal between the UAW and FCA. The UAW is mobilizing whatever resources it can to lie to and threaten workers into backing the contract and is planning votes as early as this week.

With the auto corporations and corporate CEOs like Sergio Marchionne reaping record profits, the UAW is pushing a deal that will establish permanently lower wages, shift the costs of health care onto workers, encourage back-breaking speedups in the factories and set the stage for a new round of layoffs and plant closings.

Facing widespread anger from autoworkers, the UAW has responded to the demand advanced by the WSWS Autoworker Newsletter that workers have the right to study the contract by releasing the full text of the agreement. However, it only underscores the rotten character of the deal that the UAW is trying to ram through.

The UAW-FCA conspiracy against autoworkers is revealed at the very beginning of the contract, which states: “The parties recognize that the success of the Company and the job security of the employees depends on the Company’s success in building a quality product and its ability to sell such product. To these ends the Company and the Union encourage to the fullest degree friendly and cooperative relations between their respective representatives at all levels and among all employees.”

Indeed, the UAW and the FCA have “friendly and cooperative relations”—relations directed at boosting the profits of the company and the payout to its executives and Wall Street investors by increasing the exploitation of the

workers.

The main components of the contract include:

- \* The preservation and expansion of the hated two-tier wage system

None of the caps promised by the UAW to move low-paid workers into the first tier have been honored. Second-tier workers will continue to make near-poverty wages and receive substandard medical and pension benefits. It will take seven years for a new-hire, with a starting wage of \$17 per hour, to earn the new maximum of \$25.35 per hour (which in real terms will be worth only \$20.50 by 2023, according to inflation estimates).

Even this rate is not guaranteed for workers who do not reach the cap by the end of the four-year contract, creating the conditions for a multi-tier workforce.

Workers hired before 2007 will see a raise of only 6 percent over four years. This breaks down to a 1.5 percent hike per year for workers who have suffered a decade-long pay freeze, which resulted in a 22 percent decline in real wages. The two \$2,500 bonuses in the off years will be more than eaten up by taxes, union dues and increased health care costs.

The Alternative Work Schedule, no overtime pay after eight hours and cuts in relief time are still there. There will be no restoration of cost of living increases for current workers or retirees. The company will be free to exploit temporary part-time workers and other third-tier workers.

Meanwhile, early retirement and other “voluntary” separation packages are being offered and absentee and tardiness policies tightened to drive out what Marchionne has called the “dying class” and eliminate higher-paid positions forever.

- \* An attack on health care in the form of the union-run “co-op”

As a reward for impoverishing workers, the UAW will be given control of another multibillion-dollar investment fund (“co-op”) and will take over the provision and rationing of

health care benefits. The proposal is modeled on the Voluntary Employee Beneficiary Association (VEBA) set up for retirees in 2007.

Under a mandate by the corporations and the Obama administration to slash medical costs, the UAW-run health care co-op will impose sharp increases in copays, deductibles and other out-of-pocket expenses. In other words, workers will be forced to pay back whatever meager wage increases they get to “UAW Health Insurance, Inc.”

**\* Increased speedup and corporate restructuring**

The UAW will oversee relentless speedup in the factories and a new performance-based scheme that will pay second-tier workers bonuses if the company attains increased profit margins. This will encourage a ruthless competition between workers in line with the notorious piecework system abolished by autoworkers in mass struggles in the 1930s and 1940s. The deal also provides larger pay raises to “team leaders,” encouraged by the UAW to crack the whip.

The contract gives the green light for new layoffs and plant closings. It also signals the UAW’s willingness to collaborate in a merger with GM or some other company that would destroy tens of thousands of jobs, as long as the merged company pledges to continue to work with the UAW.

The agreement is not the result of talks between the company and an organization that represents the workers. It is the result of a conspiracy between two business entities to more effectively structure FCA's operations so as to boost profits and the UAW's share of the spoils. This includes the shifting of production to lower-wage centers and the potential closure of “troublesome” plants with more militant workers.

That the UAW can peddle such a rotten agreement as a “substantial gain” only underscores the fact that it is a tool of the corporations and an enemy of the workers. It is not a “workers organization,” but a police force, labor contractor and health insurance business.

FCA workers around the country have rightfully responded to this sellout with contempt and anger. The question is: What way forward?

A successful fight requires organization, but this means the organization of workers in opposition to the UAW. The WSWS urges workers to form rank-and-file action committees to establish lines of communication between every factory, organize demonstrations and protests and mount a campaign in opposition to the threats and ballot-stuffing of the UAW. Workers should insist that no votes be held until they have time to properly study the contract independently of the lies and sugarcoating of the UAW.

A “no” vote is only the beginning. A rejection of the contract will not make the UAW come back with a better

deal. On the contrary, the union will collaborate with the employers to threaten the jobs of militant workers.

The fight to improve living standards places workers in a direct struggle not only against the auto bosses, but against the entire capitalist economic and political setup, including the Obama administration, whose economic policy is based on transforming the US into a cheap-labor platform.

Autoworkers have many potential allies in this fight: the working class of the United States and internationally. An appeal should be sent out to all workers—steelworkers, Verizon telecom workers, postal workers, teachers and others facing similar battles—to unify the working class in a common struggle. An offensive by autoworkers would be a powerful impetus for a struggle of workers and young people throughout the world against social inequality and the relentless corporate-government attacks on the working class.

At the same time, autoworkers must reject the nationalism of the UAW and fight to unite with our class brothers in Mexico, Canada, Europe, Asia, Latin America and Africa against the global corporations and banks.

The working class must not pay for the capitalist economic crisis or the criminal decisions of the corporate and financial elites. Instead, workers must organize as an independent political force in opposition to both big business parties and the profit system they defend.

All of the political parties and institutions of big business, from the Democrats and Republicans to the courts and the police, function as tools of the rich. That is why workers must build an independent political movement, uniting every section of the working class behind a program to seize the ill-gotten gains of the billionaires; establish public ownership and democratic, working class control over the banks, major corporations and natural resources; and reorganize the economy in the US and internationally to guarantee the social rights of workers—for secure and good-paying jobs, health care, education, housing, leisure time, a comfortable retirement and a future for the next generation free from poverty and war.



To contact the WSWS and the  
Socialist Equality Party visit:

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