

After landslide “no” vote on Fiat Chrysler contract, UAW declares no better deal possible

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In the aftermath of the “no” vote officially announced earlier this week, the United Auto Workers and Fiat Chrysler Automobiles (FCA) are scrambling to find some way to push through a pro-company deal in the face of overwhelming opposition from autoworkers.

UAW executives and local officials met in Detroit on Thursday at the UAW-Chrysler World Class Manufacturing Academy in Warren, Michigan, one of the many joint operations that have cemented the corporatist relationship between the union and the company. According to media reports, the UAW has not yet decided on a strategy to push a contract through.

Among the options the union is considering are: shifting negotiations to Ford or GM; presenting the same or a slightly modified deal to FCA workers for a revote; engaging in limited and isolated strike action aimed at letting off steam; or some combination of the three. All of these maneuvers will inevitably be combined with an escalated campaign of threats that workers will lose their jobs if they do not back the deal.

The *Detroit Free Press*, citing “several UAW sources who want to remain anonymous,” reported Friday that “the UAW and FCA still face a big dilemma that UAW President Dennis Williams reiterated inside the private meeting.”

The “dilemma” is that neither the FCA nor the UAW plans on offering workers anything better than the contract that was rejected by a two-to-one margin. According to the *Free Press*, “The automaker has made it clear it will not put any more money on the table to sweeten the contract offer... Williams had to deliver the same message to leaders on Thursday—there is no more in the pot.”

Earlier in the day on Thursday, FCA CEO Sergio

Marchionne released a statement that the “transformational” contract deserved to be supported. “The tentative agreement was designed to yield a strong and competitive FCA US, thus providing stability for our workforce and opportunity for future growth and investment in an increasingly complex global marketplace,” the company said.

“Transformational” is a reference to the need for a further reduction in labor costs. This is necessary, according to FCA, to ensure a “strong and competitive” company—i.e., boost corporate profits.

The contract that has been rejected seeks to achieve these aims by further embedding the two-tier wage system and creating the conditions for forcing out older, tier-one workers, who have been offered a miserly pay increase after a decade without a raise. The deal includes many incentives aimed at increasing productivity through brutal speed-ups, which will also have the effect of pressuring older workers to retire.

The deal also rejects any cap on the number of tier-two employees and would have established permanently lower wages.

The deal reached with the UAW also paves the way for significant restructuring of the company and a possible merger with one of the other major auto companies. Another central component is the establishment of a UAW-run health care “co-op” that is aimed at providing the UAW with another multibillion-dollar slush fund, while the union will be tasked with slashing benefits and increasing co-pays in line with the Obama administration’s overall attack on health care.

As for General Motors and Ford, they also have no intention of offering workers anything better than the agreement rejected at FCA. According to a report in the

Wall Street Journal, both companies “have said that as far as they are concerned, the contract rejected at FCA is ‘too rich.’”

While negotiations between the UAW and Ford and GM companies are shrouded in secrecy, the UAW earlier indicated that it was open to introducing a third tier, consisting of “pre-production” workers earning substantially less than tier-two workers currently make.

Even as he conspires behind closed doors with the auto companies, UAW President Williams released a lying statement Thursday declaring that the UAW does not consider the rejection of the contract to be a “setback.” “What I love about our organization most of all is that no matter what we do, what action we take, the ultimate decision and the power of the union is our members and they make the final decision.”

This is a cynical fraud. The UAW has absolutely no intention of bending to the will of the members. Everything it is now doing is aimed at overcoming the clearly expressed opposition of autoworkers.

To this end, the union has joined in the media-driven denunciations of workers for spreading “misinformation” on social media platforms. It is also preparing for the possibility of limited strike activity aimed at boosting the credibility of the union, while isolating and wearing down opposition.

Earlier this week, UAW Vice President Jimmy Settles issued a five-day strike notification on a local contract issue for Ford’s Kansas City Assembly Plant. The union may call out workers beginning on Sunday.

The UAW has been working closely with the company over the past several weeks to build up inventory in the event of a possible strike through mandatory overtime. *Automotive News* reported on Friday that the union is also allowing Ford to move production of the F-150 to Dearborn Truck in the event of a strike. In other words, the UAW is helping the company keep production running and is thereby digging the strike’s grave before it even begins. (See, “UAW working with Ford to ensure minimal impact of possible strike in Kansas City”)

Any strike called by the UAW at Fiat Chrysler plants would have a similar aim: not to organize a struggle of autoworkers, but to create the conditions for pushing through a deal.

The role of the UAW in deliberately isolating workers is also clear in its efforts to rapidly push

through an agreement at John Deere. UAW Vice President Norwood Jewell has followed his unsuccessful attempt to ram through the FCA deal by organizing a vote by the 10,000 John Deere workers for Sunday. No details of the agreement have been released, and workers will be given self-serving “highlights” only hours before they will have to vote.

Autoworkers have taken a courageous stand in rejecting the UAW-FCA contract. However, as developments following the “no” vote make clear, this is only the beginning of a struggle. The corporations and UAW are preparing a counterattack.

The momentum of the “no” vote must now take organizational form through the establishment of rank-and-file factory committees, independent of the UAW, to coordinate opposition, establish lines of communication between Fiat Chrysler, GM, Ford, John Deere and other workers, and prepare joint action.

This author also recommends:

“After the ‘no’ vote: The way forward for autoworkers”
[2 October 2015]



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