

UAW to meet with Fiat Chrysler executives in bid to push through new sellout deal

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The United Auto Workers union will seek to restart negotiations with Fiat Chrysler Automobiles (FCA) this week, according to a report in the *Wall Street Journal* Sunday evening. FCA workers rejected the first sellout deal pushed by the UAW by a two-to-one margin last week.

After the landslide “no” vote, top UAW officials and local union presidents at FCA factories across the country hunkered down at the UAW-FCA World Class Manufacturing Academy in suburban Detroit for a six-hour meeting Thursday. According to a memo obtained by the *Detroit Free Press*, Williams told local officials he would seek a meeting with top Fiat Chrysler management to discuss the key issues that led workers to defeat the deal.

The *Journal* reported that UAW President Dennis Williams “will explore the willingness of Fiat Chrysler Chief Sergio Marchionne to sweeten previous offers in the tentative agreement that was overwhelmingly rejected by union members last week, according to two people close to the process.”

According to the UAW’s own survey, workers opposed virtually every portion of the deal. This includes the UAW’s violation of its pledge to restore the cap on the percentage of low-paid workers; its plan to take over the provision of health care, which is a prelude to slashing benefits and increasing copays; the failure to restore cost of living raises or overtime payments after eight hours; a punitive absentee policy; the lack of sick days; the failure to restore retiree bonuses; and the lack of any means for second-tier workers to reach parity pay with so-called legacy workers during the four-year life of the agreement.

“After Williams and FCA executives meet,” the *Free Press* reported, “the UAW plans to reconvene its council meeting, according to the memo.” A UAW spokesman and a FCA spokeswoman declined to comment on any

plans for discussions or meetings between the two sides, the newspaper said.

None of the concerns of autoworkers will be addressed in any modified agreement. The response of Williams to the defeat is essentially, “I’ll go back and discuss it with Sergio.” This only underscores the fact that the Fiat Chrysler boss will dictate the terms of any new proposal, just like the first one.

The UAW is no less determined to prevent workers from wrenching anything more from Fiat Chrysler, a highly profitable company that paid its CEO \$70 million last year. Williams told local UAW officials that there is “no more in the pot,” according to an earlier *Free Press* article.

Over the last eight years, by expanding the low-wage workforces, relieving the corporation of its retiree health obligations and implementing other concessions, the UAW has collaborated in reducing per vehicle labor costs to \$1,771, from \$4,167 in 2007.

Under these conditions, any talk of “sweetening the deal” would mean no more than a cosmetic change to the contract aimed at fooling workers into cutting their own throats. “One such move may be boosting the \$3,000 signing bonus promised to Fiat Chrysler’s 37,000 union members if they adopt the contract,” the *Journal* reported. This follows UAW’s age-old trick of exploiting the economic desperation of workers to ram through pro-company deals.

Along with such a phony carrot will no doubt be the stick of renewed plant closings and layoff threats to beat workers into submission. The industry web site *Automotive News* reported Sunday, “If FCA CEO Sergio Marchionne has to push more money into the contract to get ratification, it could mean shifting jobs to Mexico, said Art Schwartz, a former GM labor negotiator who is president of Labor and Economics Associates in Ann Arbor, Mich. ‘The trade-off for more money is jobs,’ he

said.”

The UAW has reportedly agreed to a “verbal” proposal by the company to move FCA’s car production to Mexico and only to retain higher profit pickup trucks, SUVs and crossovers in the US. It has also pledged to assist the company in pitting workers against each other in a fratricidal struggle over who will work for the worst wages and conditions in order to keep their jobs.

After the defeat of the first deal, there was speculation that the UAW might first try to get an agreement it could push past General Motors and Ford workers. However, the UAW fears that it could face an even more difficult opposition from workers at the two companies, which are recording immense profits and have rewarded their top shareholders with billions in stock buybacks and dividend payments.

At the same time, executives at GM and Ford consider the deal offered by Fiat Chrysler as “too rich,” according to the *Wall Street Journal*.

All three companies are in favor of another “transformational” contract that will establish a new permanently lower pay scale in the industry and largely tie compensation to the output of workers and company profits. At the same time, they want to wash their hands of employer-paid health benefits and give the UAW the responsibility and financial incentive to slash health care costs under a new union-controlled “co-op.”

Over the weekend, the UAW cancelled its threat to call a local strike at the Ford Kansas City Assembly Plant over a local agreement. Any strike organized by the UAW would be aimed at reviving the credibility of the union and seizing the initiative from rank-and-file workers. It would, moreover, have only a limited impact, since the UAW allowed the company to shift parts from Kansas City to its Dearborn Assembly plant so there would be no interruption in the production of Ford’s top selling F-150 pick-up truck.

Nevertheless, the UAW likely concluded that even such a symbolic walkout carried the danger of encouraging walkouts at other factories, which could quickly get out of the control of the UAW bureaucracy. “Working with our UAW partners, we have resolved the open items at Kansas City Assembly Plant and have agreed to a tentative local agreement,” Ford said in a statement.

The defeat of the Fiat Chrysler contract was the result of an outpouring of opposition from young and older workers alike. It is an expression of a growing movement of the working class against the trade unions, which have collaborated with the employers and the Obama

administration to impose the longest period of wage stagnation since the Great Depression of the 1930s.

In recent weeks, there have been many signs of opposition among workers to union-backed agreements. This includes Illinois teachers defeating union-backed deals in Indian Prairie, East Aurora and East St. Louis; Frito-Lay and Ingersoll Rand workers voting down a contract; and an upcoming vote by thousands of Southwest Airlines pilots.

In order for autoworkers to maintain their momentum, it is necessary to develop the fight for the building of rank-and-file action committees, which will take the conduct of the struggle out of the hand of the UAW. Such committees, fought for by the *World Socialist Web Site* Autoworker Newsletter, would establish lines of communication between FCA, GM and Ford workers. They would reach out to other sections of the working class, including steelworkers, teachers and telecommunication workers to begin an industrial and political counter-offensive against poverty wages, unemployment and social inequality.

The threats to shift production to Mexico and other countries must be answered by an appeal by American autoworkers to their class brothers and sisters throughout North America, Europe, Asia, Africa and Latin America. As one FCA worker at Toledo Jeep said, “We make the cars and I can’t buy the cars I build. We need to get the Mexican workers informed and fight the companies at their own game. If you [the auto companies] go to Mexico, we’ll go to Mexico.”

“The only way to deal with global companies, which try to get their way in US or Canada or Mexico, is to unite as a truly international labor force,” added a Chicago Ford worker. “The government is not going to help us, we have to do it for ourselves. The two parties, Democrats and Republicans, are like the good cop, bad cop. At the end of the day they are still cops who get what they want.”



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