

# UAW begins campaign to beat back opposition to second sellout at Fiat Chrysler

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After the resounding defeat of its first attempt, the United Auto Workers is once again engaged in a campaign to beat back the resistance of 40,000 Fiat Chrysler workers and impose a four-year agreement that preserves the interests of the auto companies and the UAW apparatus.

Just before the midnight “strike notice” deadline expired on October 8, the UAW announced it had reached a tentative deal with FCA negotiators and called off a walkout. UAW President Dennis Williams told reporters Friday that the agreement was “one of the richest contracts we have ever negotiated.”

The “marketer-in-chief” for the contract, as Reuters dubbed Williams, “told reporters that he misread the intensity for which lower-paid second-tier workers wanted a clear path toward top pay rather than a bridge closer to it, and he should have allowed more time before holding the previous ratification vote.”

Local UAW leaders told the *Wall Street Journal* that ratification meetings are currently scheduled for October 20 and 21. Informational meetings will take place this week. UAW Local 1268 in Belvidere, Illinois and UAW Local 7 at the North Jefferson Assembly plant in Detroit, for example, have scheduled “National Contract Explanation” meetings on Tuesday, October 13 and Thursday and Friday, October 15-16, respectively.

With the connivance of the corporate-controlled media, the UAW has sought to palm off the deal as phasing out the hated two-tier wage and benefit system, first accepted by the UAW in 2007 and expanded as a precondition for the Obama administration’s bailout of the industry in 2009. Currently, 45 percent of the workforce—or some 17,000 workers—at FCA are second-tier workers, earning little more than half the pay of so-called legacy workers hired before 2007.

Far from abolishing this system, which is a major demand of autoworkers, under the proposed agreement a second-tier worker would have to wait eight years before reaching \$29 per hour. In other words, it would take a newly hired “in progression” worker until 2023 to earn roughly the same rate in nominal terms that a first-tier worker makes right now. There would be no change to the substandard health care and pension benefits for these workers. According to the UAW, that is a “direct path to traditional wages.”

What this really means is that the UAW and the company are setting a new, lower “traditional wage,” which will be established once older, higher-paid workers are forced out through a combination of speedups, tougher absentee policies, early retirement schemes and corporate restructuring. Since first-tier workers have not received a raise in more than a decade, the end result will be a two-decade long freeze in autoworker wages.

Moreover, the new top wage may very well be closer to the \$25.35 per hour, which was included in the first contract rejected by workers. As the business web site *Forbes* noted, “The tentative contract on which the workers will vote runs for four years, to 2019. The UAW is making a promise for the future that won’t take place under the life of this agreement... But as the past 40 years have shown, many aspects of UAW contracts have been set aside, temporarily suspended, or amended before the contracts were finished. Paid personal holidays, cost of living allowances, wages and medical coverage have all been affected at one company or another.”

This is exactly what the UAW did when it dumped its pledge—contained in the 2011 UAW-FCA contract “highlights”—to restore the 25 percent cap on second-tier workers, a measure that would have transferred 7,000 lower-paid workers into the first tier on September 15, 2015.

There is already widespread opposition to the sellout. As one Detroit FCA worker told the *World Socialist Web Site Autoworker Newsletter*, “We need to stand together and fight! That’s the only way we are going to see a real change. We are fighting for our futures. This second contract offer is just as disrespectful as the first! I hope second-tier workers understand this—eight years, really? They will never see this \$29 by the end of this four-year contract; they will change it! The UAW is garbage! Please, people- don’t fall for it! The only way to win is to fight together.”

A young Ford worker at the Chicago Assembly Plant echoed this sentiment, saying, “People are ready to stand up. This new contract is not enough. It continues the disrespect and everybody wants equality. The corporate entities are ruling the world. It’s a global fight. I’m working on swing shifts and so much overtime I don’t get to see my young son. We have to stand up. Be fair to the retirees. Give us what we deserve.”

The claim that the UAW wrenched massive concessions from FCA through backroom maneuvers and suppressed strikes is a fraud. In addition to maintaining multiple tiers, every other aspect of the four-year agreement is designed to destroy achievements won by autoworkers over generations of struggle.

**\* After suffering a ten year wage freeze, top-paid workers are receiving an insulting six percent increase over the next four years with no restoration of Cost of Living.** If these workers had received COLA and a three percent annual improvement factory traditionally contained in UAW contracts, they would be making \$51.04 per hour right now, instead of \$28.50.

**\* Any meager pay increases will be more than eaten up by hikes in out-of-pocket health care costs as Obama's Cadillac Tax on supposedly over-generous medical plans comes into effect in 2018.** The UAW has agreed to help FCA "reduce costs" including through the introduction of hundreds of dollars in deductibles for workers who refuse to sign up for inferior health plans.

While the UAW has temporarily dropped its proposal for a union-run health "co-op," it is committed to push for it again. UAW-GM officials are already distributing "Co-op Talking Points" to swindle GM workers. The deal also includes an agreement between the UAW and FCA to transfer the health care plan for workers from Blue Cross Blue Shield to some other provider, with the clear intention of reducing costs and coverage.

**\* The agreement continues the practice of substituting base pay increases with profit-sharing and other bonuses.** The latter are not only subject to taxes and union dues deductions but do nothing to improve hourly wages used to calculate overtime, vacation pay, pensions and other benefits. The major aim of the auto executives, Wall Street and the UAW has been to prevent any increases in fixed labor costs.

Future compensation will be ever more closely tied to productivity and "worker commitment," opening the way to a 21st century version of the piecework system. In lieu of pay increases, workers' livelihood will be held hostage to corporate profit levels, meaning they will have to pay for economic crises and the shortsighted and often criminal decisions of corporate executives over whom workers have no control. As FCA boss Sergio Marchionne insists, workers need to "share in the downside as well as the upside of the corporation."

**\* The deal accepts the destruction of nearly 3,000 jobs at Warren Truck in suburban Detroit and other factories.** Marchionne has made no secret that he wants to make FCA a more attractive partner for a mega-merger to eliminate "overcapacity" and share capital costs, a move that would trigger a further consolidation of the global auto industry at the cost of tens of thousands of jobs.

Under the agreement, the UAW also has the power to reopen local agreements and impose whatever concessions it chooses to improve plant "competitiveness." This will only accelerate

the fratricidal struggle between workers over who will work for the lowest wages and worst conditions.

**\* The hated Alternative Work Schedules (AWS) and no overtime payments for after eight hours are maintained.** This will leave workers at the mercy of grueling work schedules and the damage it causes to workers' physical, mental and family lives.

Over the next two weeks, the UAW, the corporations and the news media will intensify their efforts to stampede workers into supporting this deal. For all of its talk about the "membership deciding," the UAW has sought to peel off opposition by increasing the signing bonus for first-tier workers from \$3,000 to \$4,000. The new deal includes a higher pay increase for second-tier workers with the most seniority in order to divide and weaken the powerful opposition expressed in the initial "no" vote.

Over the last two weeks, Wall Street has bid up FCA stocks from \$12.21 to over \$15 per share in a show of confidence to FCA executives. Nevertheless, industry insiders are worried over signs of a worker rebellion against the UAW that has long served to suppress opposition to the corporation's dictates. "If (UAW members) don't vote for this, then their expectations are too unrealistic and I don't know if they can get a contract at Chrysler," said Art Schwartz, former GM negotiator and president of Labor and Economics Associates in Ann Arbor.

What is realistic or unrealistic can only be determined in the course of struggle. A fight by autoworkers is winnable, but not through the UAW. The initiative begun by workers to defeat the first sellout, which included workers exchanging information from the *WSWS Autoworker Newsletter* and other sources on Facebook and other social media, should be taken to the next stage. Rank-and-file factory committees should be organized in every plant to take the conduct of this struggle out of the hands of the UAW.

These committees should establish lines of communication among FCA plants to campaign for the defeat of the second sellout deal, and to unite with GM, Ford and auto parts workers and broader sections of workers in the US and internationally.

The struggle to overturn the regime of poverty wages and the dictatorship of the corporate and financial elite over society requires an industrial and political counter-offensive by the working class against both big business parties, the pro-company trade unions and the profit system they defend.



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