

# Vote “no” on second UAW-FCA sellout contract! Build rank-and-file action committees in every plant!

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The *World Socialist Web Site Autoworker Newsletter* calls on Fiat Chrysler workers to reject the latest pro-company deal being pushed by the United Auto Workers. The contract preserves all the basic demands of FCA, with only minor modifications over the deal rejected by a 2-1 margin earlier this month.

After being stunned by the “no” vote on its last deal, the UAW has hired a New York public relations firm to sell the deal, with the media dubbing President Dennis Williams—a close personal friend of FCA CEO Sergio Marchionne—the “marketer-in-chief.” It is claiming that the contract is “one of the richest contracts we have ever negotiated,” with significant improvements over the first deal.

The UAW’s position is shot through with contradictions. First, it should be noted that the union furiously denounced the *WSWS Autoworker Newsletter* for its role in helping defeat the first contract. “Outside groups” like to “stir people up” Williams fumed after the landslide “no” vote, while the chief counsel of the Metro Detroit AFL-CIO denounced the *WSWS* as a “vulture on the left dressed in red garb.” Workers who rejected the contract were smeared as being “misinformed” by “social media,” as if they were incapable of recognizing a sellout when they saw one.

Yet the “no” vote has supposedly produced one of the best contracts the UAW has every negotiated! If this were true, Williams and Co. should be thanking the *WSWS Autoworker Newsletter*. The UAW should be hailing autoworkers for being more perceptive than the union executives, and apologizing to them for claiming that the previous deal was the best that they could get.

In reality, however, the new contract is not a victory for autoworkers, and the current marketing campaign by the UAW is merely the continuation of its previous efforts to ram through a rotten deal by hook or by crook.

The basic elements of the new deal include:

**\* No cap on tier-two workers and expansion of two-tier system.** 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.

Far from abolishing this system, 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 also be no change to the substandard health care and pension benefits for these workers.

What this really means is that the UAW and the company are setting a new, permanently lower base wage and benefit system, which will be made universal 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, many workers have pointed out that the eight-year progression to the top tier-two wage means that the UAW and FCA are making pledges beyond the life of the contract. But these pledges are worth nothing! The company and UAW pledged—in the 2011 UAW-FCA contract “highlights”—to restore the 25 percent cap on second-tier workers, yet this promise has been dropped.

**\* Nothing for tier-one workers and retirees.** Workers hired before 2007 will receive 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. Retirees who have seen their benefits cut under the union-run VEBA health care fund will get nothing.

**\* Back room plans for significant health care cuts.** 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 first ever 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.

**\* Profit-sharing and other bonuses instead of base pay increases.** Profit-sharing schemes 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.

**\* 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.

The supposed job security pledges include an escape clause allowing the closure, sale or spin-off of business assets if conditions “arise that are beyond the control of the company” including “market-related volume declines or significant economic decline.”

Under the agreement, the UAW also has the power to reopen the national agreement and impose whatever concessions it chooses to improve plant “competitiveness” and “create job opportunities.” This will only accelerate the fratricidal struggle between workers over who will work for the lowest wages and worst conditions.

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

As the WSWs wrote following the “no” vote, neither FCA nor the UAW have any intention of offering a better deal to autoworkers. FCA is pursuing a broader strategy aimed at further reducing labor costs in the global auto industry in order to boost profits.

Marchionne has the full backing of Wall Street and the Obama administration. In the aftermath of the 2008 crisis, both the Democrats and Republicans have worked to engineer a historic transfer of wealth from the working class to the corporate and financial elite. A further attack on autoworkers is

seen as critical in the drive to lower wages and shift the burden of health care onto the backs of workers.

Within this context, the UAW has played the role of a labor police force for the companies and the state. It is a union in name only, and is in fact thoroughly integrated into the structures of corporate management. The UAW functions as a business in its own right, whose sole interest is defending the salaries of its executives while suppressing the resistance of the working class.

Throughout its discussions with FCA, the UAW had not engaged in any negotiations in the conventional sense of the term. It thought it could simply ram through a contract drawn up by FCA based on phony “highlights” and the campaign of corporate media lies. But one thing got in the way: a well-informed and militant workforce determined to recoup losses from years of UAW-backed concessions.

Shocked by the vote, the UAW responded by declaring a “strike notice,” which was called off at the last minute. With a new pro-company deal in hand, the union is waging a campaign of lies and intimidation.

The initiative seized by workers through the powerful “no” vote on the first deal must be continued and expanded. All efforts to divide workers against each other, to pit first-tier against second-tier workers, must be combatted. The misinformation campaign by the UAW must be opposed through systematic exposures of what is really being planned.

To wage this fight, 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 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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