

“The UAW is a shill for the company”

UAW-Ford deal creates new tier of low-paid workers

Jerry White
11 November 2015

As details emerge about the tentative agreement the United Auto Workers is seeking to push past 53,000 Ford workers, opposition is growing in factories across the US. While the UAW has falsely claimed it has won a “path” for lower-paid workers to reach traditional pay, in fact, like the Fiat Chrysler and GM pacts before it, the UAW-Ford deal will create several more tiers of workers receiving inferior pay and benefits.

In addition to long-term supplemental workers and temporary part-time workers, nearly 3,000 so-called “in-progression” workers at three Detroit-area factories will make substantially less than other second-tier workers at the end of the four-year deal. These are: Sterling Axle (2,100 workers); the powertrain plant in Rawsonville (739 workers); and the Woodhaven Hot-Metal Forming Facility, formerly Woodhaven Stamping, with only 70 workers remaining.

The “new competitive wage structure,” the UAW claims in its contract “highlights,” was necessary to keep these plants open. The UAW boasts it was able to persuade Ford to “in-source” products, which would normally be produced as “lower-wage non-union suppliers.” In other words, workers will be subjected to poverty-level wages and slave-like conditions and will have to pay UAW dues for the privilege to work.

The pay scale at these plants will be between \$16.25 an hour for workers with less than one year at the effective date of the new contract to \$19.86 for workers who currently have four years or more. Workers at the top rate will receive three percent increases in each of the first four years and 3.7 percent in 2019. The maximum wage of \$22.50 an hour by 2019 will be at least \$7 an hour less than the amount second-tier workers with similar seniority would earn by the end of the contract.

As for new workers “hired, rehired, or reinstated on or after” the effective date of the 2015 contract, wages will start at \$16.25 and max out at \$19.86 after four years. This

will be \$10 less an hour than the “traditional wage” in 2019 (page 228 (211A) of the contract).

Furthermore, the UAW and the company will collaborate to drive out older, higher paid workers, including skilled trades, in order to transform the workforce into one that is fully low-paid laborers with inferior health care and pension benefits.

A memo of understanding signed by UAW Vice President James Settles states: “To further support the labor cost competitiveness of these locations, it is understood that an expeditious transformation to an In-progression non-skilled workforce is desirable and will require various joint efforts. The parties agree to work together to maximize opportunities for the placement of Legacy non-skilled seniority employees at other Ford Motor Company locations. As such, Rawsonville, Sterling Axle and Woodhaven Hot Metal Forming Plant Legacy non-skilled employees will be considered as surplus and will be included in all future voluntary preferential placement opportunities” (see page 298 (10C) of the contract).

This sums up the essence of the new contract: older, higher paid workers (termed a “dying class” by Fiat Chrysler boss Sergio Marchionne) will be driven out through a combination of speedup, punitive attendance policies and “voluntary retirements,” clearing the way to establish a permanently lower wage and benefit scale throughout the industry.

While the UAW presents the three plants as special cases, in reality the UAW has agreed to work with the company to make every factory in the company “competitive.” This includes modifying the national agreement to in-source products from low-wage suppliers in the US and internationally.

After boasting that in-sourcing had brought back 2,400 jobs during the life of the last contract, a memo of understanding (21U of the Unpublished Letters) states: “The opportunities to profitably grow the business have not been

exhausted. During the term of this Agreement, the parties commit to continue the work done during the course of the previous agreement and to continue to secure the future of both Ford and the UAW.”

The Sterling Axle and Rawsonville facilities were formerly owned by Visteon, the parts division Ford spun off in 2000. After Visteon, with the collaboration of the UAW, shut down dozens of plants and destroyed the jobs, wages and pensions of thousands of workers, Ford brought 17 factories back in 2005 under a “temporary entity” called Automotive Components Holdings, LLC (ACH).

In the years that followed, Ford sold off or closed all of the ACH plants except Sterling and Rawsonville, which were granted “special status” with inferior wages and benefits by the UAW in 2007. The former ACH workers, like their counter-parts at GMCH (GM’s former Delphi division also brought back under its parent company’s fold), expected to recoup their losses now that the auto companies are making record profits.

Rather than bringing workers up to standard wages and benefits, the UAW has now added another plant—Woodhaven, with only 70 workers left—to this “special status” category.

Workers in the three factories are livid over this latest deal between the UAW and Ford. At the Sterling Axle plant, workers wrote, “contract disposal” on the lid of trash can to demonstrate their contempt. At the same time they lit up various Facebook pages to slam the sellout deal.

The WSWS *Autoworker Newsletter* spoke to Sterling Axle workers about the contract. A second-tier worker said, “After all the concessions we have given up this is a slap in the face. It’s a pittance. On the main line everybody I’ve spoken to, first or second-tier, is going to vote ‘no.’

“We’ve been closely monitoring Chrysler and GM and the soap operas the UAW pulled there. If anyone votes ‘yes’ here it’s only because they have no faith in the UAW to fight for anything better. This is not the kind of contract you bring back when Ford is making record profits.

“They’ve taken Sterling Axle, Rawsonville and Woodhaven and put us in a special category. The UAW committeeman is saying Chrysler and GM make axles for \$700 and ours cost \$1,500, and we need to cut our costs. This is coming from people who are supposed to be fighting for our interests.

“They shifted Sterling Axle to Visteon and then after a few years brought it back in-house for better quality. We’re getting squeezed with the speed up, and if they press us more we’re going to put out lower quality and let more rejects get by. If they want to cut out \$800 per axle, they better go somewhere else.

“Henry Ford’s modus operandi was to pay workers

enough to buy his cars. Now the company that carries his name doesn’t want to pay us enough to buy a car. I work ten-hour days, five days a week and I’m driving a 20-year-old car. I can’t buy a Ford because I’m not paid enough.

“The UAW is a shill for the company. The workers on the line are talking about building something separate from the UAW that does not have a corporate stake. It’s going to be a long, uphill battle, but it’s a lot easier than trying to get the UAW to work for us. The union reps and the company pat each other on the backs, and the local officials are paid by the International to do their dirty work.”

Another Sterling worker told the *Newsletter*, “Everyone is livid. As soon as you make eye contact with people they’re shouting, screaming [about the deal]. I just talked to my buddy at Wayne Assembly, and he said everybody he talked to is voting ‘no.’ I have talked to 30-40 people in the last few days, and not one person has been interested in voting it through.

“The wage cap under \$20 means I won’t be able to make ends meet. It means continued struggle, continued stress and frustration. I’ll have to keep working additional jobs every single day I’m not here just to survive, and that will kill me. And they say they kept three plants from closing so we did you a favor. I think it’s a complete joke the UAW says that. How hard the membership works for them to say that is like taking the lid off a pile of horse manure.

“There is nothing good about this deal. It also said that if you were hired before ’07 then your health care would be the same as traditional, but after 2007 they’re still looking at three years for dental and five before you get optical. And the signing bonus is crap. It’s taxed at 41 percent. Five thousand dollars is gone like that.”

“The corporation is the only beneficiary of this deal,” he added.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact