

UAW contracts sanction moves to eliminate small car production in US

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Though the United Auto Workers has concealed this from workers, the UAW-Ford deal explicitly sanctions the company to shift more car production to its lower-wage factories in Mexico. The same is true for the agreements signed by the UAW with Fiat Chrysler and General Motors.

Over the next decade, the number of small cars produced in the Mexican plants owned by the Detroit automakers will increase by 30 percent or more, according to reports in the industry publication *Automotive News*. The companies “are essentially giving up on trying to build mass-market cars profitably in this country,” the publication noted.

The UAW rejects any struggle to unify workers in Mexico, Canada and the US in a common fight against the transnational auto giants. On the contrary, it has played the key role in pitting workers against each other in a fratricidal struggle over who will work for the lowest wages and worst conditions.

From the beginning of the contract struggle, the auto bosses and the UAW have used the threat of moving production to Mexico to blackmail workers into accepting these sellout agreements. As opposition has grown to the FCA, GM and Ford deals, UAW officials have threatened that the companies would move “south of the border” if workers pressed to recoup years of UAW-backed concessions.

Hostile to a joint struggle to defend the jobs and living standards of workers on both sides of the border the UAW is volunteering its services as the “labor partner” in the restructuring of the automakers’ operations. This only underscores the fraudulent claim that the new labor agreements have won “job security” for workers.

According to AutoForecast Solutions, the Big Three “will collectively produce 45 percent of their small cars

for the North American market in Mexico by 2020, up from 18 percent in 2014.” A Ford spokesman said the company is “committed to continuing to improve competitiveness and to invest where it makes the best sense for our business.”

In the US, the companies will largely focus on highly profitable pickup trucks, SUVs and other larger models, which bring in \$10,000 or more in profits per vehicle.

Though sales of these vehicles may be high at the moment, the market is highly susceptible to shifts, including a hike in auto loan interest rates, rising gas prices and other factors. Once this happens, the companies and the UAW will use falling sales to tear up any so-called job commitments and use economic blackmail to demand even greater givebacks from workers.

Workers at plants with small car models have already been subjected to relentless cost-cutting and speedup overseen by the UAW, particularly since the restructuring of GM and Chrysler by the Obama administration. At GM’s Orion Assembly Plant north of Detroit, for example, the majority of workers are lower-paid second-tier workers and even lower-paid temporary and contract workers. The factory, which produces Chevrolet and Buick subcompacts, has the lowest labor costs of any of the Big Three’s US plants.

Total labor costs, including wages and benefits, average 129 pesos (\$8) an hour in Mexico, compared to \$58 in the US for GM, \$57 for Ford and \$48 for Fiat Chrysler. Over the last two decades, Mexican autoworkers have fought major strikes at VW and other car companies to improve wages in the face of sabotage of their own trade unions, which are largely tied to the US-backed Mexican government.

Under the terms of the contract, the UAW has also agreed to post-ratification contract modifications to aid

“in-sourcing” by slashing wages and benefits in the US even further. In other words, the coming months and years will see an endless reopening of the contracts to impose whatever further concessions are necessary to make plants “competitive.”

“There is a lot more resentment toward the UAW now than before the contract fight began,” the Louisville worker added. “A lot of people are talking about it. A UAW representative told someone here that wherever you are on the pay scale after four years, that’s all you’re getting. They’re not going to stick to the promises they’re making for what comes after the term of the contract. And the UAW and the company always try and pit us against autoworkers in Mexico. They say ‘screw the Mexicans,’ but we are all members of the working class.”

What is required is a fight to break from the divisive American nationalism of the UAW and the companies that are used as a tool to prevent workers from uniting in a common struggle. As one Chicago Ford worker told the *WSWS Autoworker Newsletter*, “Where I work they do everything to divide the workers, new against old, even among races. We’re no different and we should all have the right to earn a decent living.”

Indeed, only on the basis of a unified international movement can autoworkers defend themselves against the global auto giants.



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