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Indiana Fiat Chrysler workers react to UAW bribery indictment

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Workers at Fiat Chrysler’s Kokomo, Indiana casting plant have been using Facebook to circulate the *World Socialist Web Site’s* article on the federal indictment charging that FCA officials handed more than \$1 million in bribes to the United Auto Workers (UAW) top negotiator between 2009 and 2014.

UAW Vice President General Holiefield, who died of pancreatic cancer in March 2015, pushed through pro-company labor agreements in 2007, 2009 and 2011 that imposed sweeping concessions on Fiat Chrysler workers, including a 50 percent cut in the wages of new hires and the establishment of the hated 10-hour-a-day “alternative work schedule.”

“This only verifies what so many of us thought was happening before and after our so-called contract negotiations,” Dan, a retired worker from Chrysler’s Kokomo Casting Plant, told the *WSWS Autoworker Newsletter*.

“Parts of your article were being circulated in the plant, and workers shared the whole thing on Facebook. It’s so upsetting they got away with this for so long.

“Workers here are not happy with the union in general. We’ve been lied to for years. It showed in the last contract when workers rejected it. The union reps said it was a great contract and they acted dumbfounded when we voted it down. They treat us like dummies.”

Fiat Chrysler workers rejected the UAW-backed deal by a 2-to-1 margin, prompting the UAW to denounce rank-and-file workers for using social media and listening to “outside agitators” like the *World Socialist Web Site*.

“The membership got to the point during the contract that we had to act. You spend your whole life working, expecting to get benefits like the union tells you. Then every contract they are taking more and more away from

you.

“A lot of us are wondering why it is only the *World Socialist Web Site* reporting this and not the national news. I wouldn’t have known about this except for Facebook. The local UAW body gives the impression that they don’t know anything. But they didn’t stand up to this and they wouldn’t.”

Dan referred to the two-tier wage system, first agreed to by the UAW in 2007, and then expanded to include all new hires as a condition for the 2009 federal auto bailout by the Obama administration, which was “negotiated” by Holiefield and other top UAW officials.

“The workers Chrysler is hiring are paid so little they have to work 60 hours for what I used to make in 40 hours. They tell these workers to believe in the union—but these workers are making a poverty wage or just above.

“As for older workers, we haven’t had a real wage increase in 13-14 years. Everyone’s bills keep going up though. And the CEOs are making 270 times what an average worker makes. It just doesn’t make sense, except for those getting rich, not the everyday laborer.”

Referring to the nearby GM electronics plant, Dan said, “They string second-tier workers at that plant for years making lower wages. The factory is an old Delphi plant that is now owned by GM Holdings Corp. They are only using about 10 percent of the plant and the workers expect it to close soon. Long before these ‘in-progression’ workers ever make a decent wage, they will be out of a job.”

Another Kokomo worker who wrote into the *Autoworker Newsletter* commented, “I’ve got three years in at Chrysler-FCA. I just want to keep up on the latest news about this corruption. I feel the last few contracts are fraudulent. We deserve more money than we are paid.

And everything worked over eight hours should be time and a half. My biggest hate is this AWS!”

The AWS, or alternative work schedule, which established four 10-hour shifts per week—essentially ending the eight-hour day and overtime payments after eight hours and for weekend work—allowed the company to switch workers from late-night shifts to predawn starts within a few days, disrupting their family lives and health. Under the terms of the 2011 contract, Holiefield personally approved all shift schedules.

Holiefield defended the AWS, telling the *Detroit News*, “The Flexible Operating Pattern has been effective at several other plants and has created thousands of jobs in communities surrounding these plants. It’s proven to be successful, allowing the company to operate at maximum capacity to meet customer demand, and in the process, creating jobs, and in general, employees understand the reasons for the schedule.”

A fifth-generation autoworker at the Kokomo Casting Plant told the *Autoworker Newsletter*, “I come from a solid union family but none of us were prepared for what happened during the contract in 2015. The informational meetings the UAW held were a joke. They tried to dumb us down and push the contract through.

“If you asked the majority of workers at the plant, they would say they are against the union. The UAW says it’s for equality and solidarity. Then they push these ‘team leaders’ who get paid more and are in with the supervisors against their coworkers.

“The indictment of Holiefield has been circulating in the plant. Fiat Chrysler’s CEO, Sergio Marchionne, issued a statement saying the company and the union were ‘victims.’ The UAW issued a similar statement saying no one was aware what was going on until the investigators told them. No one believes them.

“Education is the key. But it is hard to come by. No one in the media is credible. The stations are either for the Democrats or the Republicans, not about reporting the truth. They don’t give you the facts and let you decide. I’m glad I saw your article on Facebook. I can see why Google doesn’t want workers to read your web site, it’s because you’re not corporate-controlled.”

The industry publication, *Automotive News*, immediately came to the defense of the UAW following the indictment, writing a comment titled “Why the FCA-UAW scandal looks like a rogue action.”

It asserts: “This case is not an indictment of the entire UAW nor does it point to corruption by anyone in FCA or UAW leadership beyond those individuals named.” To

justify this claim, the publication says the Fiat Chrysler bosses did not have to bribe the UAW because the union already functions as a tool of corporate management!

“[N]o FCA official needed to bribe the UAW to get what the carmaker wanted in collective bargaining. UAW leadership caved repeatedly to FCA demands in the face of the industry’s painful recessionary restructuring...”

“In fact, the UAW has been so accommodating to FCA in the last four rounds of collective bargaining, and to Ford and General Motors for that matter, that some wondered whether the union was hewing to labor law requirements that it maintain an adversarial relationship in negotiations.”

In 2007, the publication notes the UAW “brought a codification of lower tier-two wages and benefits for new hires and the advent of the retiree healthcare trusts known as Voluntary Employee Beneficiary Associations.” During the 2009 bankruptcies at Chrysler and GM, the UAW “ended the Jobs Bank promising full pay for laid-off workers as well as plant closures and massive job cuts.” In 2011, the UAW “settled for profit-sharing and an expansion of tier-two rather than fight for a salary increase.”

Finally, in 2015, the publication continues, “[UAW President] Williams tentatively agreed at FCA to make tier two a permanent fixture at FCA. But the rank-and-file rose up against the idea and voted down the agreement...”



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