

# How Norwood Jewell and the UAW pushed through the 2015 contract

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Former United Auto Workers (UAW) Vice President Norwood Jewell has been indicted on federal corruption charges for accepting tens of thousands of dollars in bribes from Fiat Chrysler while he was the union's lead negotiator for 37,000 FCA workers in 2015.

Jewell, who is expected to plead guilty next month, is the highest UAW official implicated in the corruption scandal so far. According to the indictment, when Jewell took over the Chrysler Department in June 2014, he "knowingly joined the conspiracy whereby officers and employees of the UAW would willfully request, receive, and accept things of value" from "persons acting in the interest of FCA."

The center of this "culture of corruption" was the UAW-Chrysler National Training Center (NTC) in Detroit, the pipeline through which company money and other gifts for UAW negotiators could be covered up as "training" expenses. Between August 2014 and February 2016, prosecutors say, Jewell used NTC-issued credit cards to purchase meals, travel, golfing and other entertainment worth more than \$43,000. He also sanctioned his administrative assistant Nancy A. Johnson and other UAW officers to use their cards to charge more than \$40,000 for similar expenses.

In other words, while Jewell and his team were "negotiating" the 2015 contract and trying to sell it to a resistant membership, they were on the company payroll. Their aim was not to improve the wages and working conditions of the workers they claimed to represent. Instead they agreed to a deal written up by corporate management that retained the hated two-tier wage system, continued to freeze real wages, and doubled the percentage of part-time temporary workers.

As a result, FCA's profit margins beat out the rest of the automakers, and a portion of the money robbed from workers was funneled back to their UAW "partners."

The 2015 contracts—not only at FCA, but at all the Big Three companies—must be declared null and void. How can an agreement reached on this basis be considered legally binding? If a lawyer were secretly working against his client's interests, he or she would be disbarred, and any agreement they concluded declared nonbinding. Autoworkers should take the same attitude towards the 2015 deal.

## Jewell's role in 2015

With 150,000 Fiat Chrysler, General Motors and Ford workers preparing for the upcoming contract battle this summer, it is critical to review in some detail the role Jewell played four years ago.

On September 13, 2015, the day before the expiration of the labor agreements for 140,000 GM, Ford and FCA workers, the UAW announced it had picked the Italian-American automaker as its "target company" to set the pattern for the GM and Ford contracts.

This decision shocked many workers because FCA was the financially weakest of the three, and any deal would set the bar at the lowest level. From the standpoint of FCA CEO Sergio Marchionne and his paid servants in the UAW, the lowest bar was exactly what they wanted.

After allowing the midnight deadline on September 14, 2015 to pass and blocking workers from walking out of the plants, the UAW announced it had reached a deal with FCA on September 15.

The announcement was delivered at a joint press conference with Norwood Jewell, UAW President Dennis Williams, and FCA Chief Sergio Marchionne, which was held... at the National Training Center in Detroit!

In remarks to reporters, Williams boasted that the deal had kept the company in a "competitive place." In words whose meaning have become crystal clear, the UAW president declared that the UAW "was ultimately in this together with the company." A smiling Marchionne agreed, saying there was an "alignment of interests" between management and the union.

## A premature celebration by the UAW

Two days later, on September 17, 2015, UAW officials had a lavish meal at the London Chop House in Detroit to celebrate the deal. The party was paid for by their supposed rivals across the bargaining table with Jewell approving the charge of \$6,912.81 on an NTC credit card.

The celebration, however, was premature. With the auto companies making five straight years of record profits, autoworkers, from older legacy workers to younger second-tier and part-time workers, were determined to reverse the concessions handed over by the UAW and win substantial improvements.

When the UAW tried to pull a fast one, and release only their self-serving highlights of the contract, rank-and-file workers erupted in anger, forcing the release of the entire contract.

Thousands of autoworkers turned to the *World Socialist Web Site Autoworker Newsletter* for information, to voice their opposition and organize a fight back. As the UAW rushed to get workers to ratify the deal, the *Newsletter* issued a statement calling for a "no" vote and for FCA workers to organize rank-and-file factory committees to take the conduct of the fight out of the hands of the UAW.

The deal, the WSWS wrote, was "not the result of talks between the company and an organization that represents the workers. It is the result of a conspiracy between two business entities to more effectively structure FCA's operations so as to boost profits and the UAW's share of the spoils."

## Workers revolt at Sterling Heights and Toledo meetings

On September 20, 2015, anger erupted at a meeting in Sterling Heights, Michigan, when Jewell attempted to justify the contract on the grounds that the UAW got all it could get.

“There was only so much money on the table,” Jewell claimed, knowing full well there was plenty of money on the table for him if he would sell the pro-company deal. He then tried to browbeat workers with the threat of job losses, saying, “If you think for a minute that Chrysler is going to continue investing in this country if we blow our wages up so much that they can’t compete, the math don’t work.”

When a worker got up and started to read from a copy of the WSWs *Autoworker Newsletter*, the sergeant at arms came up and grabbed the microphone away from him. The meeting continued for several hours, with workers peppering the UAW with angry questions.

Jewell got a similar greeting at a September 27, 2015 meeting of Jeep workers in Toledo, Ohio. “The contract allows them to work the temporary workers however they please,” one worker said. “One day one week, three days the next, five the next, whatever they want. Why would they ever hire us full-time if they already have it in writing that they can legally abuse the temps?” Another declared, “The whole UAW needs to go on strike, shut the whole country down, then we’ll deal with this properly.”

Jewell responded like a pious choir boy, saying, “There isn’t one of us up here, and shame on you for suggesting otherwise, that have anything but the best interests of our members [in mind].”

He then scolded the angry audience, saying, “You think you are going to tell Sergio Marchionne how to run the company. Why don’t you go ahead and try to be a CEO.”

At that point, a Jeep worker hollered out, “Are you bargaining for us or for Sergio?”

## Workers defeat the UAW-FCA contract

Fiat Chrysler workers voted down the contract by a two-to-one margin, in the first defeat of a UAW-backed national contract since 1982. The revolt sent shock waves not only throughout the UAW and the corporate boardrooms but also throughout the Obama administration.

The Democratic president—and the auto task force of Wall Street investors he appointed to restructure Chrysler and GM in 2009—had relied on the UAW to suppress opposition to low wages and temporary employment, which had become the model for the whole US economy.

After the defeat of the contract by FCA workers, UAW executives and local union officials hunkered down for an October 1 meeting at the UAW-Chrysler World Class Manufacturing Academy in Warren, Michigan.

Only one year earlier, Jewell was celebrating his appointment at this same location, complete with wine bottles with his name on the labels and strolling models lighting the fine cigars of UAW officials. The \$30,000 tab for the “welcoming party” was paid by FCA.

This time the mood was far more somber, with Williams reportedly telling union officials that FCA was not going to put any more money into the pot to sweeten the offer, and they would have to find some way to get workers to swallow the deal.

The *Detroit News*, a mouthpiece for big business, chastised Williams for doing a “poor job of selling the deal, allowing those who oppose it to out-message him on Facebook and other social media.”

The UAW hired the New York City public relations firm Berlin Rosen to mount a social media campaign to sell a new, slightly modified, deal. This coincided with an effort to smear the WSWs *Autoworker Newsletter* as an “outside agitator” and purveyor of “fake news.”

This included a public denunciation by Bruce Miller, the lead attorney

for the Metro Detroit AFL-CIO, who accused the WSWs of being “vultures on the left dressed in red garb who preach love for the workers while they advocate on behalf of the enemies of working people.” As events would show, Miller’s comments about labor fakers preaching love for workers while working on behalf of their enemies was an apt description of Jewell and the rest of the UAW.

Jewell, who had become a liability, was shunted to the side, and responsibility for ramming through the deal through was given to local union leaders. The UAW vice president was dispatched to impose a rotten contract on 11,200 farm machinery workers at John Deere. After forcing workers to vote without seeing anything but the union’s “highlights,” the UAW claimed the vote narrowly passed amid demands by John Deere workers for a recount.

## Lies, threats and fraud

On October 7, 2015, the UAW announced it had reached a new deal with FCA, with Williams and Jewell calling it “one of the richest ever negotiated.” Local and regional union officials ramped up their threats, with one Warren Truck worker telling the *Autoworker Newsletter*, “The union is saying, ‘Sign this contract or you’ll be out of a job by September.’”

After a campaign of intimidation and media-backed lies, the second contract at FCA was ratified. Announcing the passage of the deal, Williams declared that the recent bargaining process was “a testament to the UAW’s democratic values and commitment to our members.”

Over the next month, the UAW would trample on the rights of GM workers, ignoring their own constitution and declared the deal for 53,000 GM workers “ratified” despite the “no” vote by skilled trade workers. The deal paved the way for GM’s closure of plants in Lordstown, Detroit, and three others in the US and Canada.

With workers voting down the Ford deal in major plants in Kentucky, Kansas, Ohio and other states, UAW chief negotiator Jimmy Settles delayed the final vote at the Ford Rouge Complex in Dearborn, Michigan. Settles then gave a snap press conference where he said thousands of jobs would be in “jeopardy” if workers voted down the contract, and denounced young workers for not understanding that higher wages would put Ford at a “disadvantage” with its competitors.

While welcoming reporters from the corporate-backed media, UAW Local 600 officials barred reporters from the WSWs *Autoworker Newsletter* and forcibly removed them when they questioned why they were being singled out. (See: “Video shows UAW officials grabbing cell phone, forcibly ejecting WSWs reporters from press conference”).

During the vote at the Rouge Complex workers were literally forced to run a gauntlet of union officials to get to the ballot box. Amid charges of fraud and outright vote-rigging, the UAW announced that the margin of “yes” votes at the facility had magically given the UAW enough votes to pass the national contract by a razor thin 51-49 percent.

After the ratification of the deal, Ford executives boasted to Wall Street investors that the UAW deal would significantly cut costs by “enhancing our ability to use lower cost temporary employees.”

The past four years have seen a steady erosion of living standards and working conditions for all autoworkers. While older, higher paid workers are being forced out, an army of low-paid, temporary, part-time workers—who pay union dues but have no rights—has grown exponentially. While young workers cannot afford the cars they build, the company stooges in the UAW who impose these concessions are handsomely rewarded.

In addition to his payoffs from Fiat Chrysler, Jewell took in \$224,173 in

total compensation in 2017, according to Labor Department filings by the UAW, up from \$165,327 in 2016. Both of his sons are also on the Solidarity House payroll as supposed “international servicing reps,” with Justin Jewell receiving \$125,074 in salary and benefits and Derik Jewell getting \$116,726 in 2017.

### **For new organizations of struggle!**

What is involved is not one corrupt individual, or several of them, but the character of the entire organization. Hundreds of union officials in Solidarity House and on the regional and local level on are the gravy train, receiving high salaries and bribes, legal and illegal, in exchange for selling out autoworkers.

A great deal has happened since the autoworkers’ revolt in 2015. Above all, the last 15 months have seen a resurgence of the class struggle across the world. In the rebellion of US teachers, the explosive struggle of maquiladora workers in Matamoros, Mexico; the Yellow Vest protests in France; and many others, workers are striving to break free from the strangling grip of the nationalist and pro-capitalist unions.

The precondition for preparing the contract battle by autoworkers this summer is to draw the lessons of these and other struggles, and to build new organizations of struggle—rank-and-file factory committees—which are free from the domination of the UAW and democratically controlled by workers themselves.

These committees should establish links of communications across the auto and auto parts industry, in the US and internationally, to prepare for national and cross-border strikes, uniting US, Canadian and Mexican workers. They should outline a series of demands that workers need, including a halt to plant closings, the rehiring of all laid-off and victimized workers, a 30 percent wage increase, the abolition of the two-tier system, and workers’ control of production.

As they did in the first half of the 20th century, autoworkers should spearhead the fight of the entire working class against the dictatorship of the giant corporations and banks. A powerful industrial counter-offensive must be fused with a new international and socialist perspective.



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