Wall Street Journal warns job threats might not prevent rebellion by autoworkers

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Officials from the United Auto Workers (UAW) and corporate management went through their ritual handshakes at the headquarters of General Motors and Fiat Chrysler (FCA) Tuesday, the day after a similar event at Ford. This starts the two-month "bargaining process" during which time company and UAW officials will collude to shape another pro-company agreement, which they hope to ram past the resistance of 155,000 GM, Ford and FCA workers.

The parameters of the deal are already set. The corporations, which have made record profits for nearly a decade, have no intention of returning to labor cost levels that existed before the Great Recession. Although labor costs only make up 5 percent of the cost of producing a vehicle, the companies want to further slash spending by expanding the number of low-paid contract and temporary workers and shifting healthcare costs onto workers.

During the 2009 bankruptcy restructuring of GM and Chrysler, the Obama administration, the auto companies and the UAW used the economic crisis and collapse of car sales to close factories, eliminate thousands of jobs and impose deep wage and benefit concessions. This including cutting the wages of new hires in half, eliminating the eight-hour day and gutting income protections for laid-off workers.

In the 2011 contracts, the UAW handed over more concessions even though cars sales and profits had more than recovered. In 2015 workers rebelled against the UAW, defeating the first of two contracts at FCA and resisting similar deals at GM and Ford. The UAW pushed the deals through amid widespread charges of vote fraud, and it was later revealed that many of top UAW negotiators were paid bribes by FCA.

In his remarks at the opening of the talks this week, UAW President Gary Jones acknowledged that the UAW-backed concessions were responsible for the record profits. "The Big 3 are more profitable in North America than any of their competitors. You all have the home advantage," Jones said. Indeed, the profits margins for the global automakers in the North America are among the highest, if not the highest, in the world.

Despite a slowdown of sales in China, North America and Europe, GM made $2.15 billion in first-quarter profits and $10.8 billion in 2018. Ford made $1.1 billion in first-quarter profits after making $7 billion in 2018. FCA made $567 million in first-quarter profits, after raking in $8.2 billion in 2018.

Jones warned that workers in the factories were tired of "cuts in benefits, retirement security in jeopardy, job loss, wage loss, more and more temporary workers." The UAW would "halt the race to the bottom" in these negotiations, he claimed, in comments that no one in the room believed.

Headlines in the corporate media about the "toughest" and "most bitter" negotiations since 2009 all refer to the fear that the UAW will not be able to beat back the demands of workers by relying on its old playbook of demanding workers sacrifice to "save" their jobs.

In a *Wall Street Journal* article Tuesday headlined "UAW talks open with labor costs rising, slowdown looming," the mouthpiece of the financial aristocracy says the car companies have "one main goal: cap fast-rising labor costs ahead of a downturn in the U.S. auto industry." The companies want "workers to pay a greater share of their costs" and "to reduce fixed costs by using more temporary workers."

In the run-up to this year's negotiations, GM, Ford and FCA have all announced plant closings or shift eliminations, as part of a global restructuring of the auto industry that has already cost the jobs of tens of thousands of workers around the world. The *Journal* notes that GM and Ford in particular want to address "underused factories," so they can shift resources toward the development of electric and self-driving cars. In other words, the carmakers are planning more plant closings and layoffs.

The companies and the UAW hope to use this impending threat to blackmail workers into more concessions. What is robbed from workers, however, will not go to new technologies, which are not expected to be profitable for years to come. Instead, the companies have plowed billions into merger and acquisitions, stock buybacks and dividend payments to the richest investors and corporate executives.

The *Wall Street Journal* warns that job cut threats might not be enough this time to beat back workers' demands to recoup what the UAW has handed over.

"One big wild card in this round of talks: nearly 42% of the Detroit Three's unionized workforce have never experienced a slowdown in the U.S. car sector, according to data provided by industry sources. After the recession, U.S. car sales bounced back, recording their best four-year period ever, as pricey SUVs proliferated and padded profits for auto makers.

"Negotiators for the companies worry that this group—many of whom were hired after 2012 as auto industry rebounded—will pose a tougher challenge in terms of predictability because they have less exposure to economic hard times and aren't as experienced with the bargaining process, say people familiar with the car makers' bargaining preparations."

Translated this means tens of thousands of younger workers hired over the last several years have not been sufficiently schooled in the time-honored tradition of the "bargaining process," where the companies and the UAW say: "We will shut your plants and lay you off unless you give up your livelihoods."

With the assistance of the UAW, the car companies have purged tens of thousands of higher-paid "legacy workers" who earned top pay and benefits, and increasingly replaced them with so-called "in-progression" workers who must labor for substandard pay and benefits for eight years before reaching the top pay scale. In addition, they have hired tens of thousands of temporary part-time and third-party contract workers who pay union dues but have no rights.

Ford has reduced its hourly US workforce from 90,000 in 2004 to 55,000 today. According to corporate figures, less than half—43 percent—of the current workforce are "legacy workers," whose average age is 51. Seventeen percent are skilled workers whose average age is 53. However, and this is the "one big wild card" they all fear, 34 percent are in-progression workers, with an average age of 36, and 6 percent are temps with an average age of 32.

There a growing sentiment that all workers, of every age and tier, must be united. For this to happen, however, workers in every factory must form rank-and-file committees to prepare a fight against the corporate-UAW conspiracy. These committees should advance their own demands, including abolishing all tiers, converting temps and contract workers into full-time workers, restoring the eight-hour day, and implementing a 40 percent pay raise to make up for years of concessions that have produced a 25 percent decline in real wages since 2002.

Using social media and other means of communication, these committees should link up into a network, including all GM, Ford and FCA factories, in order to prepare a national strike to win the demands workers need, not what the corporations and the UAW claim is affordable. A special appeal must be made to autoworkers in Mexico, Canada and around the world to join in a common fight against the destruction of jobs by the global automakers and the efforts by the nationalist unions to pit workers against each other.

We urge autoworkers to join this Wednesday's call-in meeting to discuss the fighting program workers need to conduct this fight. To register, go to: wsws.org/autocall

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact