

Defend jobs, wages and benefits! Vote “No” on Chrysler-UAW concessions! Oppose job cuts at GM!

Statement of the Socialist Equality Party

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The Socialist Equality Party urges auto workers to reject the mass layoffs at General Motors and the sweeping givebacks being demanded by Chrysler, the Obama administration and the United Auto Workers. We call on workers at GM, Chrysler and throughout the auto industry to begin organizing mass opposition to the corporate assault on their jobs and living conditions.

The UAW is moving quickly to force through massive concessions at Chrysler, which come on top of the 2007 sell-out contract. Union executives have scheduled votes Wednesday on contract revisions reached by the UAW on Sunday night.

The vote is a mockery of democratic procedure. For weeks, the UAW has been in closed-door negotiations with Chrysler and Fiat executives and the Obama administration. As always, workers have been told absolutely nothing about these discussions. Now the companies, government and UAW are hoping to use the threat of bankruptcy to pressure Chrysler workers into signing away their jobs, wages and benefits. Workers will be given the contract on Tuesday, giving them less than 24 hours to consider the implications.

While Chrysler workers are being kept in the dark for as long as possible, anyone with doubts about the implications of the new concessions need only turn to the announcement by GM CEO Fritz Henderson. GM released plans to eliminate 23,000 hourly jobs—more than one third of the entire workforce—and close 16 plants! This is what is in store at Chrysler and the entire auto industry, as the financial elite seeks to restructure the companies to ensure a high return for Wall Street.

Chrysler workers should overwhelmingly vote down this new round of concessions. Everything the union is telling workers is a lie. The new agreement comes on top of thirty years of unceasing attacks on wages, working conditions and pensions. Among other things, supplemental unemployment benefits will now be slashed just as the company prepares to lay off thousands of workers.

On Sunday, the Canadian Auto Workers forced through sweeping concessions on Chrysler workers in Canada, including wage and benefit reductions of C\$19 per hour per worker. One day later, GM announced that it would slash its Canadian workforce by more than half, destroying nearly 6,000 jobs.

Make no mistake about it: workers are being asked to give their agreement to the destruction of their own jobs, wages and benefits. In return for its betrayal, the UAW is going to get 55 percent control of Chrysler, giving union officials the majority stake in the company. It is precisely for this reason that the UAW is seeking to ram through the Chrysler contract without any discussion.

This assault on auto workers has the full backing of the government of Barack Obama. Last month, the administration rejected the restructuring proposals from Chrysler and GM. The administration and its Auto Task Force—led by Wall Street investor Steven Rattner—wanted greater concessions from workers. Obama set a deadline of April 30 for Chrysler to secure an agreement with the UAW and the company’s bondholders to carry out a merger with Italian automaker Fiat. GM was given until June 1 to complete its own proposals for job and wage cuts.

Not only Big Three auto workers, but a significant section of the industry, from suppliers to dealers, are threatened. As part of its announcement on Monday, GM said it would shut down more than 2,600 dealerships nationwide.

Even if Chrysler workers approve the contract revisions, it may not prevent an immediate bankruptcy. Bankruptcy courts are still seen as a preferable mechanism for wiping the company clean of existing obligations and overriding contracts. However, the government and bondholders—led by giant Wall Street banks including JP Morgan Chase—want a guarantee from Chrysler workers that they will accept cuts before the bankruptcy process begins.

Vote “No” to concessions

The Socialist Equality Party calls on Chrysler workers to reverse the decades-long policy of surrender carried out by the UAW by decisively voting “No” on Wednesday. The corporate and financial elite have declared war on auto workers. It is necessary to recognize this fact and draw the appropriate conclusions.

The aim of the corporations and the UAW is to isolate the Chrysler workers from the workers at GM. This strategy must be rejected. The defense of workers’ interests requires a united struggle with all auto workers and with the entire working class. The attack on auto workers will become the spearhead for similar attacks against workers throughout the country and internationally.

As always, the UAW is telling its members that the concessions are necessary in order to “save jobs.” This is a lie. Every contract agreed by the union over the past three decades has led to one end: further concessions and further job cuts in the next contract. Hundreds of thousands of jobs have already been eliminated in the auto industry over the past year. Wages are being slashed; work rules gutted to increase exploitation; health coverage, pensions and other benefits are all on the chopping block.

Break with the UAW! Form independent rank-and-file committees!

The corporations are absolutely determined to make the working class pay for the crisis of American capitalism. If workers are to oppose this attack, they must display even greater determination. This includes the organization of mass demonstrations, strikes and factory occupations.

The American working class has a long history of class struggle, including the great sit-down strikes in Flint in 1936-37 by auto workers. Everything the working class has gained it has had to fight for. These great traditions of struggle must be revived today.

The organization of resistance, however, must be based on a complete break with the UAW, the AFL-CIO and the Change to Win Coalition. These organizations—trade unions in name only—are tools of the corporations in policing the working class.

The UAW offers no resistance to the attack on auto workers. Instead, it is working actively with the companies and government. Aside from padding the pocketbooks of union functionaries, their main purpose is to suppress any opposition from the working class. Workers confront in the union a determined enemy.

Under the deal with Chrysler, the UAW will receive shares for more than half the \$10 billion owed to the retiree trust fund. The UAW will control 55 percent of Chrysler. Fiat will get 35 percent and the government and bondholders will control the remaining 10 percent. A similar deal is being worked out at GM, which will leave the union with a 39 percent stake in the company. Thus in both cases, the union officials will have a direct interest in increasing the exploitation of auto workers.

The organization of mass resistance requires the formation of new organizations—*independent rank-and-file committees* subject to the democratic control of the workers.

Break with the Democratic and Republican Parties!

The Democratic Party, no less than the Republican Party, speaks for the large banks and corporations. This is nowhere clearer than in the Obama administration’s blatant double standard in relation to the auto industry.

Trillions of dollars have been handed over, with no restrictions, to banks and financial institutions that are principally responsible for the economic crisis. However, loans to the auto industry are conditioned on massive cost-cutting measures directed against workers. The contracts of bank executives cannot be touched, while workers’ contracts can be torn up or reopened at a moment’s notice.

The UAW encouraged workers to believe that Obama would be more sympathetic to their interests than Bush. This too was a lie. For decades the trade unions have worked to tie workers to the Democratic Party and the two-party system in the United States. This has left workers without any political voice, disarming the working class in the face of a government-backed attack on wages and jobs.

A socialist program for auto workers

If the struggles of workers are to succeed, they must be guided by a new political strategy. Auto workers confront not merely the crisis of one company or even one industry, but the failure of an entire social system, capitalism. The subordination of all economic life to the interests of private profit and the wealth accumulation of the financial elite has led to a disaster.

To ensure the basic needs of working people requires an end to this irrational and destructive social system. This means the transformation of the banks and large corporations into public utilities that are controlled democratically by the working class. The world economy can no longer be subject to the blackmail of a money-mad financial aristocracy.

Workers in the US cannot defend their interests except through a united struggle with workers in every country. The corporations and union bureaucracies seek to weaken workers by dividing them against each other. This nationalist perspective benefits the corporations, not the workers, and prepares the ground for a new round of attacks. Workers of every county have a common enemy in the corporate-financial elite.

The aim of the Socialist Equality Party is to spearhead and help organize mass resistance in the working class and give it political leadership. We seek to unify workers in the United States and internationally in the common struggle for socialism—that is, for equality and the rational and democratic utilization of the wealth of the planet.

We urge all workers to take up the fight today to save their jobs and livelihoods. Oppose concessions! Form rank-and-file committees! Join the Socialist Equality Party!

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