

# **Reject UAW sellout at Ford! Mobilize autoworkers to defend jobs and living standards!**

Statement of the Socialist Equality Party, 26 February 2009

Ford workers should reject the sellout agreement negotiated by the United Auto Workers union and fight to mobilize the strength of all autoworkers against the attack on jobs, living standards and working conditions.

The deal signed by the UAW, coming on the heels of the 2007 concessions, will destroy the achievements of decades of struggle.

The agreement will eliminate cost-of-living raises and the lump sum bonuses the union said would offset the wage freeze it accepted in the last contract.

The UAW also agreed to eliminate overtime payments after eight hours, reduce break time and cut two paid holidays. The Jobs Bank will end and supplemental unemployment benefits will be capped at one year, just as the auto companies embark on an unprecedented wave of plant closings and mass layoffs.

By allowing Ford to fund half of its retiree health care obligations with virtually worthless stock, the deal ensures that 186,000 retirees and their dependents will see their health benefits slashed and their premiums and co-pays raised by thousands of dollars.

Autoworkers are not responsible for the crisis in the auto industry. They had no power over the decisions of the corporate executives and Wall Street investors who sacrificed the long-term health of the industry in order to boost share values and amass staggering levels of personal wealth.

The working class is not responsible for the breakdown of the capitalist system, which has created the worst global economic crisis since the 1930s.

For the last three decades—starting with the 1980 Chrysler bailout—autoworkers have given up one concession after another, culminating in the 2007 contract which cut wages in half and eliminated employer-paid pensions for new-hires. Now, UAW members are to work for the same or even lower wages than non-union autoworkers at the US plants owned by Toyota and other international companies.

Once again the UAW bureaucracy is claiming that massive concessions are needed to “save jobs.” UAW President Ron Gettelfinger says that without the concessions, “Ford cannot survive on a long-term basis.” But none of the “job-saving” contracts signed by the UAW has stopped plant closings and mass layoffs. Since 1978 nearly three-quarters of a million autoworkers have lost their jobs. At Ford, the hourly workforce has shrunk from 174,000 to 42,000.

General Motors has already announced plans to wipe out another 47,000 jobs, including 21,000 hourly and salaried positions in the US, and close 14 plants in North America and

Europe. Chrysler and Ford are preparing their own downsizing plans to meet the drastic decline in car sales.

The money robbed from workers in previous concessions contracts was not used to bolster the health of the industry, but to fund stock buy-backs and other measures to boost share value and funnel billions into the bank accounts of corporate executives and big investors.

All the talk about “shared sacrifices” by the auto executives is a fraud. Ford CEO Alan Mulally is to take a cut in his base salary that will leave him with the “modest” figure of \$1.4 million—some 28 times the pay of Ford workers. In 2007, Mulally’s total compensation package, mostly from bonuses, stock and stock options, came to \$21.6 million.

He and the rest of the top executives will eventually recoup their “sacrifices” by reaping vast profits from a “restructured” auto industry, having dumped their pension and health care obligations, driven out higher paid veteran employees and hired new workers at half the wages.

The new concessions will be used to establish a lower benchmark for the next round of concessions demanded by GM, Ford, Chrysler and other global corporations. According to the Wall Street Journal, Ford will be “free to seek additional concessions from the UAW if GM and Chrysler—which must secure concessions to comply with terms of their government bailout loans—get better deals or file for bankruptcy.”

The Obama administration is functioning on behalf of the most ruthless sections of finance capital, which see this crisis as an opportunity to fundamentally and permanently shift class relations in the US. They aim to put an end to the so-called “middle class worker” who attained a modicum of economic security—a home, a pension and a college education for their children. The attack on autoworkers will be widened to encompass the entire working class.

This is clear from the collection of Wall Street bankers and asset strippers Obama has selected for his auto task force. They include Treasury Secretary Timothy Geithner, a key architect of the Wall Street bailout, and White House economic advisor Lawrence Summers, who was treasury secretary in the Clinton administration. Both have opposed all but token restrictions on banks that receive taxpayer bailout funds, and both lobbied against limits on bank executive pay that were included in the stimulus bill passed by Congress.

They will be advised by Steven Rattner, a mergers and acquisitions expert who runs a multi-billion-dollar private equity firm, and Ron Bloom, another Wall Street financier. Bloom helped protect the interests of the steelworkers’ union bureaucracy as it worked with various financial sharks to “save” the steel industry, leaving tens of thousands of workers without jobs or pensions.

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According to the Wall Street Journal, one scenario being considered is to drive the auto companies into Chapter 11 bankruptcy so they can sell off their profitable assets to big investors and dump their health care and pension obligations into the bankruptcy court.

At the same time, the White House is reserving the power to recall the government loans to GM and Chrysler and throw the companies into bankruptcy if workers carry out any strikes or walkouts.

The UAW is complicit in this attack. In exchange for its collaboration, the UAW will reportedly receive hundreds of millions of shares in common stock from Ford, making it the single largest shareholder in the company and qualifying the union bureaucracy for a seat on the board of directors. This will give the union a direct financial incentive to increase the exploitation of its own members.

The fact that the UAW is a union does not make it a workers' organization. It has long since ceased defending the interests of the workers from whom it collects dues. For many years it has striven to reposition itself as a business enterprise so that the income and privileges of the union bureaucracy could be separated as much as possible from the fate of the workers it nominally represents.

Together with union-management corporatism, the UAW has promoted "Buy American" nationalism and anti-foreigner chauvinism to block any unified struggle with autoworkers in other countries, while demanding ever greater concessions in the name of making Detroit "competitive" with European and Asian automakers. The outcome of this policy is a fratricidal struggle pitting workers from different countries, states and even factories against each other.

Autoworkers must reject the blackmail being carried out by the auto bosses, the Obama administration and the UAW and launch a struggle to halt the destruction of their jobs and living standards. Such a struggle must be organized independently of the UAW through the setting up of committees of rank-and-file

workers in the factories and of working people, youth and the unemployed in the communities.

A decisive stand by autoworkers will generate massive support from working people in the US and around the world, who are looking for a way to fight mass layoffs, home foreclosures and the continued bailout of the financial aristocracy.

Ford workers should launch a national strike and urge all workers at GM and Chrysler to join the fight, along with the tens of thousands of workers in the auto parts industry and non-union transplants. A special appeal should be made to workers in Canada, Latin America, Asia and Europe to join US workers in a common fight in defense of jobs and living standards.

This industrial fight must be guided by an entirely new political strategy and perspective. The crisis in auto is part and parcel of the failure of the capitalist system in the US and around the world. The only alternative that represents the interests of the working class is the fight for socialism.

This means mobilizing against the Obama administration and breaking decisively with the Democrats and Republicans—two parties of big business that are united in their efforts to make the working class pay for the crisis.

Workers need to be organized as an independent political force to advance their own solution to the crisis. The auto industry must be taken out of the hands of the corporate executives and financial speculators who have driven it into the ground, and transformed into a public utility, democratically owned and controlled by the working people themselves.

The trillions of dollars squandered on the Wall Street bankers must be recovered and used to retool the auto industry to build safe, affordable transportation, in cooperation with autoworkers around the world.

This is the socialist and internationalist perspective fought for by the Socialist Equality Party. We urge autoworkers looking for a way to fight the assault on jobs and living standards to take up the struggle for a socialist future and join the SEP.