

# Political lessons of the UAW contract betrayal

The Editorial Board  
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*This statement is also available in pdf format.*

The new four-year labor agreements between the United Auto Workers union and Detroit's Big Three automakers—General Motors, Ford and Chrysler—are a monumental setback for auto workers.

The contracts, which cover 175,000 workers, will wipe out the achievements of more than a half-century of struggle and transform the US auto industry—once the domain of the highest paid industrial workers in the world—into a center of cheap labor, sweatshop conditions.

Under a new two-tier wage and benefit structure, new workers will be paid \$14.20 instead of \$28.75 and will receive substandard benefits, allowing the companies to reduce total hourly labor costs by 68 percent. This will pave the way for the replacement of tens of thousands of veteran workers with a much smaller, more brutally exploited workforce.

The contracts relieve the auto companies of their obligation to pay retiree health-care benefits. Instead, a union-controlled retiree health-care trust—a voluntary employees' beneficiary association, or VEBA—will be established, to which the auto companies contribute less than half of their more than \$100 billion in health-care liabilities.

The UAW will gain control of the VEBA trusts worth an estimated \$54.4 billion—one of the largest private investment funds in America. Top UAW officials will become wealthy executives while retirees will see their benefits cut and expenses rise under the union's second-rate health-care plan.

A large portion of the VEBAs are funded with notes convertible to stock, making the UAW one of the largest shareholders at GM and Ford—in the case of the latter, with a stake four times bigger than the Ford family's.

The UAW will be linked even more closely to the corporations, with a direct financial incentive to help slash jobs, wages and benefits. The final stage in the degeneration of the UAW is its transformation into a business working in tandem with the auto companies to intensify the exploitation of the workers.

The shutdown of at least 30 GM, Ford and Chrysler factories is also sanctioned, as well as further job-cutting by the Big Three, which, together with their spun-off parts divisions, have eliminated more than 150,000 jobs in the last three years alone. The new agreement allows companies to more closely align employment levels to market demand, meaning workers can lose their jobs whenever sales decline.

How was it possible for such nakedly regressive contracts to be ratified at all three companies? This was not the result of defeated and smashed strikes, but the deliberate efforts of the UAW itself, which conspired with the auto bosses to suppress rank-and-file resistance and impose management's demands.

For the UAW, the last two months of "negotiations" have been an exercise in utter cynicism. This includes the calling of mini-strikes against GM and Chrysler. The *Detroit News* reported a deal was already set with GM when UAW President Ron Gettelfinger suddenly announced a strike.

The walkouts had nothing to do with defending workers against the company's draconian demands. Rather, the UAW concluded it could not sell the agreements without actions that allowed workers to let off steam and give the union some pretense that it had extracted concessions from

management.

Throughout the contract ratification process, the UAW shamelessly lied about the content of the agreements and played on economic fears, particularly in devastated areas like Detroit. Union officials threatened that more jobs would be lost if the contracts were rejected, while other workers were told their plants had been "saved" and new products guaranteed. The utter worthlessness of these claims were demonstrated just days after the contracts were approved, when the companies announced plans to cut thousands of additional jobs.

The UAW was aided by various union dissidents, including UAW Local 1700 President Bill Parker, who offered no serious alternative to Gettelfinger and the Solidarity House leadership. Rather than organizing a genuine opposition, Parker claimed rank-and-file pressure would force the UAW leadership to fight. On the eve of decisive votes at four Detroit-area plants, including his own, Parker caved in to the UAW International and dropped his call for a "no" vote.

The passage of the contracts was not a vote of approval by the membership. There was widespread opposition, with nearly a third of GM, half of Chrysler and a quarter of Ford workers who voted opposing the deal. Tens of thousands more abstained, while many others, knowing the union would do nothing to fight, reluctantly voted for it.

In the end, however, the ratification reflected the impact on auto workers of the decades of betrayals organized by the UAW bureaucracy and its single-minded campaign against any form of class consciousness through the promotion of labor-management collaboration and nationalist "Buy American" campaigns.

## What is the UAW?

The passage of the contracts testifies to the impossibility of workers defending their interests within the framework of this organization.

In the past, despite their allegiance to American capitalism, the UAW and the AFL-CIO to some extent sought to improve the wages and conditions of workers within the framework of the existing economic and political set-up.

It has been nearly 30 years since the UAW abandoned that modest role and embraced the attack on workers' jobs, living standards and working conditions. During this time, an upper-middle-class layer in the UAW apparatus has insulated itself from the disastrous impact its policies have had on union members by setting up various investment and business schemes with management, which have allowed the income to the bureaucracy to grow even as the union's membership fell by two-thirds since 1978. The 2007 contracts are the culmination of this process.

These agreements prove what the Socialist Equality Party and its predecessor, the Workers League, have been saying for more than 15 years. The prerequisite for auto workers conducting any viable fight to defend their jobs and living standards is an irreconcilable break with the UAW and the revival of the class struggle on an entirely new political

basis.

The collapse of the UAW is the inevitable product of the reactionary political program it has embraced virtually from its inception, based on two fundamental premises: the defense of the capitalist system and nationalism. The current state of the organization is proof of the impossibility of building a genuine labor movement on the basis of opposition to socialism and the subordination of the working class to the national interests of America's ruling elite.

This reactionary course was set in the anticommunist purges of the 1940s and 1950s, when UAW President Walter Reuther drove out socialist and left-wing militants who had led the mass struggles that built the union in the 1930s. Rejecting any struggle to end the economic and political domination of big business, Reuther allied the UAW with the Democratic Party and opposed the building of an independent political party of the working class.

The myth that the Democratic Party is a party of the working man is being exploded more and more each day, as it joins the Republicans in waging war, destroying democratic rights and increasing social inequality.

The most thoughtful workers have already drawn conclusions about the UAW and are seeking an alternative. Under these conditions, a host of middle-class "left" and liberal organizations have rallied to the defense of the UAW bureaucracy.

One organization, the Spartacist League, recently denounced the Socialist Equality Party as "scab socialists" for opposing the UAW. According to this group, the trade unions are "the basic defense organizations of the working class" and socialists who fight to break the influence of these rotten organizations are no different than "the professional union-busters of the National Right to Work Committee."

This is nothing but a crass defense of the UAW bureaucracy. When it comes to the conflict between workers and the corporatist executives of the UAW, the Spartacists sides with the latter against the former.

What "defensive organization of the working class" imposes on its own members conditions of brutal exploitation and in return gets control of a multibillion-dollar investment fund and hundreds of millions of shares of company stock? The UAW is not a workers' organization. It does not represent the interests of workers, and is neither controlled by workers nor accountable to them.

The fact that workers are trapped inside this organization and have their paychecks docked to pay union dues does not make it a workers' organization. Those who promote the UAW and insist that workers channel their struggles through it are disarming the workers and playing a reactionary role.

The defense of such organizations is not only a sign of terminal blindness and political bankruptcy. Groups like the Spartacists have long been opposed to a struggle against the various bureaucracies—whether trade union, Stalinist or social democratic—which dominated the workers' movement, and instead leaned on them to advance their brand of middle-class "left" politics. In recent years, as these bureaucracies have collapsed, many of these former radicals have graduated from "left" politics into careers in the trade union bureaucracy, where they have promoted its right-wing policies and fought opposition from below.

Thus, the Spartacists claim, the only problem with the UAW and other unions are their "misleaders." If the "union tops" were replaced with a "new, class-struggle labor leadership"—presumably themselves and other ex-radicals—the UAW would be transformed into a powerful fighting instrument for workers.

This is another fraud.

The degeneration of the UAW is not simply the product of corrupt and cowardly officials. Instead, such company stooges have risen to the top precisely because the unions have long been emptied of any progressive content from the standpoint of the working class.

It would be one matter if the betrayals were confined to the UAW, but

every union is engaged in labor-management collaboration against its members. Moreover, this is not just an American phenomenon. In country after country, unions pressure their members for concessions and establish ever-closer relations with the employers and the government.

The globalization of capitalist production has fatally undermined the trade unions, whose previous influence was bound up with their ability to influence the national labor market. Workers must counterpose to the global strategy of the transnational corporations their own international strategy to unite workers in the US, Canada, Mexico, Latin America, Europe and Asia in a common struggle to defend jobs and living standards.

The demise of the unions and all labor organizations based on a nationalist program demonstrates the inherent limitations of trade unionism and the need for an independent political movement of the working class based on an internationalist and socialist perspective. None of the questions facing workers today can be resolved on the basis of the trade unionist conception of placing pressure on the employers and the nation state.

Instead, workers face a political struggle to take power and reorganize economic and political life in the interests of the vast majority, not the wealthy few. The productive and technological resources contained in the global auto industry—the product of the physical and intellectual labor of generations of workers—can no longer be the personal assets of corporate executives and hedge fund managers. They must be placed at the disposal of society as a whole by putting the auto industry under public ownership and the democratic control of working people.

For this, auto workers need to break with the two parties of big business and build a new political party based on an international socialist program. That party is the Socialist Equality Party.

We call on auto workers to read the *World Socialist Web Site*, study the program and acquaint themselves with the history of the Socialist Equality Party, and make the decision to join and build the SEP as the new revolutionary leadership of the working class.



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