

# Auto bailout provides pretext for assault on US workers

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In an entirely cynical manner, the media and politicians of both parties are issuing pseudo-populist denunciations of General Motors, Ford and Chrysler while seizing on the near-collapse of the companies as an opening to rip up union contracts and destroy workers' pensions, health benefits, wages and working conditions. This is to be the centerpiece of a ruthless restructuring of the industry, involving the closure of more factories and the destruction of tens of thousands more jobs. The aim is to provide, in the form of a far smaller and more highly exploitative industry, a source of profitable investment for Wall Street bankers and speculators.

The destruction of auto jobs and gutting of all that remains of the gains won by generations of auto workers since the mass sit-down strikes of the 1930s will be used as a precedent for similar attacks on workers in every sector of the economy and every part of the country. As with the Chrysler bailout of 1979-80, but on a far broader and even more brutal scale, mass unemployment will be used as a weapon to bludgeon the working class.

Whether through the bankruptcy courts or a bailout bill conditioned on unprecedented concessions—which the United Auto Workers (UAW) will accept and help impose—the workers are to be forced to labor for near-poverty wages and be stripped of basic health and retirement benefits.

Following two days of congressional hearings at which politicians on both sides of the aisle berated the CEOs of the Big Three companies and United Auto Workers President Ron Gettelfinger, top congressional Democratic leaders called a snap press conference Thursday afternoon to announce they would delay any vote on an auto bailout bill until December 8 at the earliest. In the meantime, they declared, the auto companies would have to submit a restructuring plan to guarantee "accountability and

viability."

Senate Majority Leader Harry Reid and Speaker of the House Nancy Pelosi, flanked by Senate Banking Committee Chairman Christopher Dodd, House Financial Services Committee Chairman Barney Frank, Joint Economic Committee Chairman Charles Schumer and other top Democrats postured as defenders of the interests of taxpayers and critics of the auto companies. The subtext, however, was the insistence that any government loan be tied to sweeping concessions by the workers.

The previously unannounced press conference was held only minutes before another group of Democratic and Republican lawmakers was scheduled to speak to the media about a bipartisan plan to use \$25 billion previously appropriated to help the Big Three produce fuel-efficient vehicles to provide, instead, an immediate cash infusion to avert the bankruptcy of one or more of the companies. This group, from states with major Big Three facilities, planned to present their measure for a vote before the end of the week. It too was conditioned on the auto companies presenting a plan to cut jobs and slash workers' wages and benefits.

By the time they took the podium, however, their plan had been mooted by the intervention of Reid, Pelosi and company. Clearly, the news conference called by the top Democratic leadership was intended to torpedo the passage of a compromise bailout measure. Why? To make sure than any bailout bill that might eventually be passed contained sufficiently brutal attacks on the workers.

President-Elect Barack Obama, for his part, has solidarized himself with demands for sweeping contract concessions, declaring that any auto bailout be contingent on the industry's future "viability." Among his chief economic advisers is Paul Volcker, the former Wall Street banker who was appointed chairman of the Federal Reserve by Democratic President Jimmy Carter and engineered a

massive rise in unemployment, which was used to break the power of the unions and undermine the resistance of the working class to layoffs and wage cuts. The Chrysler bailout was carried out during his tenure at the Fed.

It is less than two months since these very same Democratic leaders, with the full support of the media, joined with the Bush administration in insisting that the \$700 billion bailout of Wall Street had to be pushed through immediately, without any public discussion or debate, and without any conditions or penalties on the multi-millionaire bankers whose recklessness, greed and incompetence had brought the financial system to the point of collapse.

The sheer hypocrisy and glaring contradiction between their kowtowing to the banks and their posture toward the auto companies is accounted for by the opportunity of using the auto crisis as a means of settling scores with a powerful section of the industrial working class.

This takes place in the context of a massive media campaign demanding the shutdown of dozens of factories, the wiping out of tens of thousands of jobs and the termination of the auto companies' health care and pension obligations. On Thursday, *New York Times* financial columnist Andrew Ross Sorkin, appearing on ABC News's "Good Morning America" program, said that restructuring the auto industry meant "you are going to have to effectively break the unions."

In his *Times* column earlier in the week, Sorkin opposed a government bailout and called instead for government-sponsored bankruptcy of General Motors. This was the best way, he insisted, to break the resistance of auto workers to the destruction of their jobs and living standards.

"Part of the problem," he wrote, "is summed up by comments like this one in the *Detroit Free Press*, made by Kandy O'Neill, 39, an assembler at GM's plant in Lake Orion, Mich., where she builds the Chevy Malibu and Pontiac G6. 'I think we've given enough,' she said about the cuts to her salary and pension plan.

"Everybody wants to come down hard on the workers," she said. "Nobody knows what we do inside there but the people who work there. It's hard. It is not an easy job."

"When you read a line like that you might sympathize with her," Sorkin wrote, "but then you realize that nothing can be accomplished without bankruptcy."

Workers are not responsible for the collapse of the US auto industry. They have no say in the business decisions taken

by the owners and top executives, who preside over a corporate dictatorship and then blame workers when their greed and incompetence lead to disaster.

Nor are the workers represented by the UAW, which has functioned as an appendage of the corporations for decades and is concerned solely with defending the interests of the union bureaucracy.

There is only one policy that can defend the interests of auto workers and the working class as a whole. That is a socialist policy of nationalizing the auto industry and transforming it into a publicly owned enterprise under the democratic control of working people. This must be carried out in conjunction with the nationalization of the banks under public control, so that economic life can be based on the principle of production for human need, not private profit.

The design, engineering and manufacture of automobiles involve tens of millions of people around the world and vast natural, financial and human resources. The only way to guarantee decent living standards for all workers and to end destructive national competition is to unite auto workers internationally on the basis of a socialist program.

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