

# Obama declares war on auto workers

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President Barack Obama's speech on the auto industry Monday was nothing less than a declaration of war against the working class. In a statement dripping with class arrogance and cynicism, he rejected the cost-cutting proposals of General Motors and Chrysler as insufficient and demanded more concessions from auto workers.

No one could be unaware of the blatant double standard that has governed the administration's response to the economic crisis. Up to \$10 trillion has been handed over to the giant banks and hedge funds. These sums have been turned over, with no restrictions, to institutions whose reckless speculation was a critical factor in creating the economic crisis.

These vast funds are not going toward the production of socially useful goods and real value, but rather to bolster the bank accounts and investment portfolios of the financial aristocracy. Just this past week the administration came out in opposition to any attempt to reclaim bonuses to executives at AIG and other institutions bailed out by the government.

The sum of money involved in the bailout of the banks dwarfs the amount involved in the auto industry by a factor of several hundred. But when it comes to the auto industry, Obama declares that the companies must not become "wards of the state" and demands massive cost-cutting measures—all of which are directed against the workers.

When Obama declares that the proposals submitted by GM and Chrysler are inadequate, the principal object of his attack is the working class. To carry out a "fundamental restructuring," Obama said, "will require unions and workers who have already made extraordinarily painful concessions to do more."

The impact of these further concession demands on workers will be devastating. Already, 400,000 jobs have been lost in the auto industry over the past year and tens of thousands more are on the chopping block. Workers will be thrown out of work amidst the worst job market in generations.

Wages will be slashed further; work rules will be gutted to increase exploitation; health coverage, pensions and other benefits will be slashed or eliminated. Immediately targeted

are the medical benefits of hundreds of thousands of retirees.

Not only the Big Three companies, but a significant section of dependent industry, from suppliers to dealers, is threatened.

Before the assault is over, workers still employed in the industry will be subjected to sweatshop conditions, with virtually no benefits and no job security.

The administration has all but signed a death warrant for Chrysler and its 26,000 hourly workers, giving it a mere 30 days to reach a merger agreement with Fiat or forfeit further government aid. Obama is likewise pushing GM and its 62,400 workers toward the bankruptcy courts, which would be used as a "mechanism to help them restructure quickly and emerge stronger," he said. This is code language for shredding union contacts and imposing near-poverty wages by judicial fiat.

Obama concluded his remarks with an utterly cynical assurance of "support" for workers who are being devastated by his own policies. These declarations deserve nothing but contempt.

The measures announced Monday confirm once again that the Obama administration is a government of, by and for the financial elite which exerts a stranglehold over the economy and controls the entire political establishment.

The investment bankers represented by Obama are using the economic crisis as an opportunity to fundamentally restructure class relations in America. Culminating a three-decade offensive against working people, they are destroying whatever remains of the gains made by previous generations of workers so as to intensify the exploitation of the working class.

The attack on auto workers will become the spearhead for similar attacks against workers throughout the country and internationally, in every sector of the economy. Wage cuts, layoffs and cuts in benefits and social programs will be implemented across the board. The Obama administration has already made clear that it is targeting basic entitlement programs such as Social Security, Medicare and Medicaid.

Obama's announcement once again exposes the bankruptcy of the United Auto Workers union. It has played a critical role in pushing through concessions year after year and

suppressing opposition from the workers. In the process, it has ever more closely integrated itself with corporate management. There can be no doubt that the UAW will capitulate once again. It is concerned solely with the perks and privileges of the bureaucrats who control the union.

After the auto companies received government loans last year, the UAW promoted the lie that the Obama administration would take a pro-worker position and the union bureaucracy enthusiastically backed his campaign. This, just as every other policy of the union, has proven to be a trap and betrayal of the workers' interests. In the naked instrument of Wall Street that is the Obama administration, one sees the culmination of the decades-long effort of the UAW and the entire trade union bureaucracy to subordinate workers to the Democratic Party.

If a disaster is to be averted, auto workers have no choice but to take matters into their own hands and assert their independent class interests. The Socialist Equality Party and the *World Socialist Web Site* propose the following steps:

**1. Form independent rank-and-file committees to revive direct forms of working class struggle!**

If further concessions are to be successfully opposed, workers must move to form organizations completely independent of the UAW. Rank-and-file factory, workplace and neighborhood committees should be formed to revive the militant traditions of the working class. Workers should prepare now for demonstrations, strikes and factory occupations to prevent plant closings. An appeal must be made to all workers to take up a common struggle in defense of their basic needs—for jobs, housing, health care and education.

**2. Break with the Democratic and Republican Parties!**

Industrial action must be infused with a new political strategy based on the independent interests of the working class. The actions of the Obama administration clearly show that if workers are to defend their interests, they must build their own political party.

**3. Reject the capitalist system and revive an international socialist movement of the working class!**

The economic crisis has exposed all claims that the "free market" is the highest form of social organization. Workers in the United States and throughout the world are facing the devastating consequences of the collapse of capitalism, an economic system based on the pursuit of private profit.

The Socialist Equality Party fights for the socialist reorganization of the economy. This includes the nationalization of the major corporations and banks under the public ownership and democratic control of the working class. These productive forces must be organized on the basis of social need, not private profit. The world economy can no longer be subject to the blackmail of a money-mad

financial aristocracy.

What is happening in the United States is a severe expression of conditions all over the world, and workers can defend themselves only through their international unity. The corporations and banks—together with their accomplices in the trade unions—will seek to defend their own interests by pitting workers of different countries against each other. These efforts must be rejected. Workers in Europe, Asia, Canada and Mexico are impacted by the crisis in the American auto industry, and there is no region of the world that is not suffering from the economic collapse.

The Socialist Equality Party is sponsoring regional conferences under the title "The World Economic Crisis, the Failure of Capitalism, and the Case for Socialism" in Ann Arbor, Michigan (April 25), New York City (May 3), and Los Angeles, California (May 10). These conferences will examine the causes of the economic crisis and develop a program that meets the needs of working people. They will initiate a fight-back against the ruling class offensive on the basis of the independent industrial and political mobilization of the working class. We urge auto workers and workers throughout the country to make plans to attend today.

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*To find out more about the regional conferences or register to attend, click here.*

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