Reject GM-government-UAW blackmail!

Organize rank-and-file committees to defeat concessions and defend all jobs!

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The United Auto Workers and General Motors have reached an agreement on a new contract that includes sweeping concessions demanded by the Obama administration. Workers will vote on the contract on Wednesday and Thursday. The following statement will be distributed to workers urging a "no" vote. We encourage workers to download this statement *and distribute it at your factories.*

The United Auto Workers, functioning on behalf of the auto companies, Wall Street and the Obama administration, is once again trying to force massive concessions on auto workers. GM workers should reject this blackmail and mount a struggle to defend the jobs and living standards of the entire working class.

Everything the UAW is claiming about this contract is a lie.

It will not “save” jobs. On the contrary, the deal will sanction the destruction of another 23,000 jobs and the closure of nearly a third of GM’s remaining factories. By 2014, only 38,000 UAW workers will remain, less than a tenth of the number working in 1979.

Supplemental unemployment benefits and other income security for laid-off workers will be cut. The insulting buyouts offered to every GM worker will do little to help workers hang on as they try to find another job during the worst economic downturn since the Great Depression.

The deal will also not prevent GM’s bankruptcy. From the beginning the Obama administration and the Wall Street investors who sit on his auto task force have been determined to use the bankruptcy courts to break up the century-old industrial giant, in order to dump its unprofitable factories, brands, dealerships and “legacy costs.” The restructuring of the industry has never had anything to do with protecting jobs and living standards. Instead, the White House hopes a much smaller GM, with poverty wages and sweatshop conditions enforced by the UAW, will be a lucrative source of profit for billionaire investors.

Retirees will suffer a major attack on their medical benefits. Beginning on July 1, hundreds of thousands of retirees and their dependents will lose dental and optical care. The agreement to finance the VEBA fund with worthless shares guarantees that the UAW will further slash benefits when it takes over the provision of retiree health care next year.

Like the sellout the UAW pushed through at Chrysler—which declared bankruptcy and announced sweeping plant closings and layoffs the day after ratification—the GM contract abandons whatever remains of the achievements auto workers fought for and gained decades ago. Wages will be frozen, cost-of-living allowances and bonuses suspended, break time substantially reduced and holidays eliminated. Moreover, the UAW accepted binding arbitration and a no-strike clause until 2015, meaning workers will have no right to vote on the 2011 contract, which will include far deeper wage and benefit cuts.

In its contract summary, the UAW claims it was able to slow the import of cars from “low wage countries including China” and have them assembled in an idled GM facility. The UAW has no principled opposition to low wages; it only insists that the impoverished workers pay union dues. The new contract will accelerate the replacement of higher-paid senior workers with temporary employees and “entry-level workers” paid $14 an hour with virtually no benefits.

In exchange for saving the company $1.5 billion labor costs, the UAW apparatus will be handed billions in cash and preferred stock—that pay a $585 million annual dividend—along with a 17.5 percent ownership stake in GM and a seat on its board of directors. The UAW officialdom will have a direct financial incentive to impose even more brutal conditions on its “members.”

As the UAW states, “with a greatly improved balance sheet, as well as with the significant restructuring of

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business operations, there is a realistic prospect that the stock in the new company will represent significant value in the future."

The UAW is a union in name only. Its transformation into a business entity—better called "UAW, Inc."—is the culmination of decades of betrayals. The material interests of this corrupt layer are entirely independent of and hostile to the rank-and-file.

In an article entitled, "Union's Rich Assets Recall the Glory Days," the *Wall Street Journal* noted last week that the UAW is "sitting on $1.2 billion in assets, making it, by that measure, the richest union in the country by far." The UAW has actually increased its revenues and assets, even as the membership plummeted from a peak of 1.5 million in 1979 to 431,000 in 2008.

Citing figures from the UAW's latest filing with the Labor Department, the *Journal* listed some of the organization's assets: "$700 million in U.S. Treasury securities; $321 million in other investments, mainly securities; and $100 million in fixed assets, including a $3 million townhouse in Washington's Dupont Circle and a $33 million lakeside retreat and golf course" in Black Lake, Michigan. "Altogether," the article continued, "the union's investments generated about $38 million in interest in 2008."

The UAW says workers have "no choice" but to accept the concessions. This too is a lie. The truth is the UAW is violently *opposed* to any struggle because it would disrupt its lucrative financial arrangements with the auto bosses and Wall Street investment firms.

Ever since the UAW pushed through the first major concessions contract in the 1979-1980 Chrysler bailout, it has sought to suppress every struggle against the auto companies. The result has been the destruction of 750,000 Big Three jobs and unending demands for further concessions. Throughout America, the unions' suppression of class struggle has been bound up with an enormous growth of social inequality.

Workers have nothing to lose from taking a stand and everything to gain. Rejection of this contract and strike action to stop all plant closings, layoffs and concessions would have an electrifying effect on tens of millions of working people looking for a way to fight the growth of mass unemployment, home foreclosures and wage-cutting.

Everything ever achieved by workers has been won through bitter struggle. The SEP calls on workers to reject this agreement and begin a campaign for a national auto strike. In Detroit, auto workers must link up their struggle with teachers and other sections of the working class to launch a general strike against the shutdown of the city and impoverishment of its residents.

Such a struggle can only be organized in direct opposition to the highly paid labor police force known as the UAW. Rank-and-file workers should establish independent factory and neighborhood committees to coordinate the fight by Chrysler, GM and Ford workers to defend jobs and living standards, including the launching of plant occupations, strikes and mass demonstrations.

A special appeal must be made to auto workers in Canada, Mexico, Europe and throughout the world to end the fratricidal bidding war over jobs and launch a common struggle against the downsizing of the global auto industry.

This is a fight, not only against the auto bosses, but the entire capitalist system, which subordinates the needs of the world's people to the profit drive of the wealthy. The fight back by auto workers will be the beginning of struggle to mobilize the entire working class to reorganize the economy to meet human needs, not profit. This includes transforming the auto industry and major banks into public utilities, owned and controlled democratically by working people themselves.

The double standard of the Obama administration in its treatment of auto workers, as compared with the Wall Street bankers, makes clear that the Democratic Party, no less than the Republicans, is a party of the financial elite. It is time the working class built a political party of its own to link up all of its struggles into one political and revolutionary struggle to establish a workers government. This is the perspective fought for by the Socialist Equality Party.

We urge all auto workers and workers in the Detroit area to attend an important public meeting on the social crisis: "Stop the shutdown of Detroit! The socialist response to the economic crisis"

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

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