

Letters on the General Motors bankruptcy

4 June 2009

On “The GM bankruptcy”

Dear Friends:

Regarding the GM Chapter 11 filing, in a column published in today’s *Toronto Star*, the Associated Press reports:

“GM, whose headquarters tower over downtown Detroit, said it believed the filing was not an acknowledgement of failure, but a necessary way to cleanse itself in an orderly fashion of problems and costs that have dogged it for decades.”

(Students: Note the Orwellian corporate weaselspeak, and read the WSWWS for background and insight about the automotive sector catastrophe, and how to support a socialist alternative.)

First. Cut to the picture of downtown Detroit. The allusion to the sparkling silver and chrome towers, now lying, metaphorically, rusted, smoking, and otherwise in ruins, suggests something of the apocryphal (alike and yet unlike 9/11), proves too hard for the reporter/s to resist.

Second. Clearly, GM did not “fail,” says the company, but undertook Chapter 11 to “cleanse” itself of “problems and costs.” Ergo, the workers, who in their millions, over the century of this corporations’ existence, having built GM, at one time, into the world’s largest corporation, are now revealed to be the infection that must be cleansed.

The gains made by working people through decades of bitter struggle are now erased at the stroke of a pen. Auto industry workers in the hundreds of thousands must now meekly acquiesce to these predations, even as the quasi-criminal banking class, hard on the heels of its sub-prime mortgage derivative scam, is handed back trillions in bailouts. You don’t have to be the Amazing Kreskin to figure out who’s going to pay for that.

The *Star* report says more than it intends. In a single sentence, we have the virulent essence of capitalism, reduced to the neutrons of its sacred truths, and

encapsulated, as it were, in this poisonous proverbial nutshell. Of course, working people can change all of this with a single thought. It may take a little while for the wave to build, as it surely will, but soon enough, together, we’ll “storm the Bastille” ...

Sincerely,

Mike F

Ontario, Canada

1 June 2009

On “Wall Street throws General Motors into bankruptcy”

The response to the world economic crisis by world governments, major corporations and financial institutions can be summed up as ‘parasites of the world unite.’

FD

Melbourne, Australia

30 May 2009

* * *

There are many indications that the worldwide rate of profit, especially in manufacturing, has been in a state of decline for quite some time. Unfortunately, finding hard statistics to back up that statement would be difficult. However this is what Marx predicted in volume 3 of *Capital*. That is, he argued that all of the methods available to the capitalist for reviving the rate of profit eventually fail when productivity reaches a high level. For that reason, I would disagree with your conclusion that the current assault on auto workers and assault on others of the working class to follow will vastly increase profits for the wealthy (9th paragraph). Rather, I think that the financial elite plans to pursue the methods of attempting to increase the rate of profit by the means that it has always used without considering the possibility of success of those means. After all, we are only talking about the lives of the “help.”

Commenting on the UAW’s concessions contract with GM, you say that “These (concessions) will save

the company \$1.5 billion and bring labor costs on a par with or below those of nonunion workers at US plants operated by Toyota and other international companies.” This will certainly create much hostility on the part of GM workers able to keep their jobs knowing that essentially they are paying union dues for nothing. For a new hire, there will be resentment knowing that his/her position will be very similar to gaining a job through a contract employment agency such as Manpower. The UAW bureaucracy for the new hire becomes another group of people taking a slice out of what should be his take home pay.

Peter L
29 May 2009
* * *

Jerry, great article and revealing details. This is my compatible view:

Sounds to me that ‘the house’ (the investor class) wins again—as they always do by stacking the deck and other dirty tricks.

Sounds to me like the bondholders (some of the large ones being shareholders also) have connived a deal where they can get 25 percent more of GM’s common (voting) shares (plus any common they already hold), and the GM common is being kept alive primarily so that they can control the decision making of the ‘new GM.’ The sleazy US government has helped insure that neither the government nor UAW will be in a position to control the operating and financial management of this new scam entity. In fact, giving the bondholders additional GM common (voting) shares pretty much assures that these sleazy investment bandits will have dominant control of what the ‘new GM’ actually does—while the government (including US taxpayers), and the UAW union cheats its members into a position where they supply nothing but the money to keep this zombie outfit alive so that the financial vampires can continue to draw blood from its walking dead body.

Heck of a job, Obama and the UAW turncoat executives, in selling out both the US citizens and UAW working class real workers. Thanks for nothing you elitist looting con-men pirates!

Alan M
Maine, USA
29 May 2009

On “What’s good for GM...”

Charles Wilson once said, “What was good for the

country was good for General Motors and vice versa.”

This is still true in the sense that “what is good for destroying General Motors will be good for destroying every other industry on the planet”!

Carolyn
California, USA
2 June 2009



To contact the WWSWS and the
Socialist Equality Party visit:

wsws.org/contact