

UAW President Bob King on Wall Street

Jerry White
19 November 2010

Standing directly behind General Motors CEO Dan Akerson as he rang the opening bell on the New York Stock Exchange Thursday morning was United Auto Workers President Bob King. As trading on GM stock began, the UAW leader could be seen enthusiastically applauding and exchanging congratulations with investment bankers and corporate board members assembled on a large stage adorned with GM logos.

The event was a small but telling demonstration of the character of the UAW—an organization completely hostile to the interests of the workers. No leader of a workers' organization could have taken part in such an event, or even contemplated it. After all, the assembled crowd was salivating over GM's profits, which have been attained chiefly through a brutal assault on jobs and living standards.

King reveled in the atmosphere, telling the *Detroit News* that it was an historic day, and that he welcomed a high opening price for GM shares. "Today is the birth of a new General Motors," he said, adding, "It's a dramatically different company poised to be successful."

And just how did this new GM emerge? In a prospectus circulated to global investors, the company explained that it had gotten its North American "cost structure in line." It reads: "We accomplished this through brand rationalization, manufacturing footprint reduction, ongoing dealer network optimization, salaried and hourly headcount reductions, labor agreement restructuring and transfer of hourly retiree healthcare obligations to the new VEBA."

It added, "Approximately 43% of our vehicles are manufactured in regions we believe to be low-cost locations, such as China, Mexico, Eastern Europe, India and Russia, with all-in active labor costs of less than \$15 per hour."

None of this could have been accomplished without the active collaboration of the UAW, which has

suppressed all opposition by auto workers to the dictates of Wall Street, the auto bosses and the Obama administration. The UAW agreed to the sweeping concessions, including imposing a \$14 an hour wage on all new workers—a key part of corporate-government strategy to close the wage gap between American workers and their brutally exploited counterparts in Asia and Latin America.

King took time on Thursday to praise Obama, saying the president had "invested in an American company and American workers." In fact, the government invested in the UAW, handing the union executives millions of GM shares as a payoff for its services.

For King and the UAW, the IPO was a great success. The UAW sold 102 million GM shares from its VEBA retiree health care trust fund, netting an estimated \$3.5 billion dollars. Overnight, the UAW executives more than quadrupled their assets. The windfall of cash for the UAW no doubt sent waves of excitement throughout the organization's Detroit Solidarity House headquarters, its regional and local union offices.

There was nothing to celebrate, however, for the 20,000 UAW members who lost their jobs in the corporate restructuring. Nor was the IPO considered a success in the dozens of working class communities in Michigan, Ohio, Indiana and other states which have been devastated by plant closings, layoffs and the shutdown of dealerships.

Watching King cheering alongside the auto bosses and financial speculators, one GM worker—who fought against the 50 percent wage cut the UAW sought to impose on Indianapolis metal stamping workers—told the WSWS, "King is ecstatic about making his own money."

There is no doubt that the UAW executives will become wealthy. This only underscores the class chasm between rank-and-file workers and the upper middle class entrepreneurs and aspiring capitalists who run the

UAW.

Even after its stock sale, the UAW will retain a 13 percent stake in GM and a seat on the company's board of directors. This gives the company agents in the UAW a continued direct financial incentive to collaborate with the automaker in cutting labor costs.

King's appearance was a signal to Wall Street that the "New UAW" will do everything to increase the competitiveness and profits of the auto bosses. King previously said the 21st century UAW no longer sees the car companies as "adversaries and enemies but as partners in innovation and quality." As for the workers, he declared in Lansing, Michigan last month: "We know it's pretty hard to support a family and everything on a \$15 an hour wage, but we also know that we have to keep General Motors and Ford and Chrysler competitive."

King's Wall Street extravaganza underscores the fact that the UAW is not accountable to its members in any shape or form. It exposes all of those—including the pseudo-lefts and phony "union dissidents"—who claim that the UAW can be reformed through pressure from below.

Auto workers can only begin to conduct a struggle to defend their jobs and living standards by breaking once and for all from this rotten organization. New organizations of struggle—rank-and-file committees democratically controlled by the workers themselves—must be set up independently of and in opposition to the UAW. These struggles must be guided by a new perspective that relies on the unity and initiative of the working class and rejects the UAW's alliance with the Democrats, its economic nationalism and its undying defense of the capitalist system.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact