Detroit media celebrates recovery of auto industry profits

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"Recovery in full swing" declared the front-page headline in Thursday's edition of the *Detroit Free Press*, which gushed over reports of increased car sales, surging stocks and multi-billion profits for the Detroit automakers, a year and a half after GM and Chrysler declared bankruptcy.

For workers in the depressed industrial city, where the real unemployment rate approaches 50 percent, assertions about a soaring economy generate nothing but contempt. Michigan has the second highest unemployment rate in the nation and by the end of April 168,520 jobless workers—or 1,100 a day—will lose extended unemployment benefits, stripping their families of any income.

"We're in recovery mode," Ford Chief Economist Ellen Hughes-Cromwick crowed.

The auto bosses and the Wall Street banks have indeed enjoyed a recovery in corporate profits and personal fortunes. This was accomplished through a brutal attack on the jobs, living standards and working conditions of auto workers overseen by the Obama administration. The newspaper boasts that the auto companies are hiring once again, without mentioning that the wages of newly hired auto workers have been cut in half, from $28 an hour to $14.

With the full complicity of the United Auto Workers union, the auto companies shut down dozens of plants, laid off tens of thousands, and cut wages and benefits between $7,000 and $30,000 per worker over the last five years, according to the UAW. This included giving the companies a green light to dump their health care obligations to hundreds of thousands of retirees and their families.

On this basis, the carmakers are boasting that they can make multi-billion dollar profits with vehicle sales of 11-12 million, instead of 16-17 million routinely sold before the financial meltdown of 2007-08. In recent public comments, Obama's "car czar," hedge fund manager Steven Rattner, said the auto companies would "gush profits" for Wall Street but auto workers would not see the recovery of what had been taken from them.

Also in Thursday's *Free Press*, columnist Tom Walsh complains that American workers are "missing signs of economic recovery." Citing a recent CBS News poll showing two out of three Americans believe the US is going in the "wrong track," Walsh asks, are the opinion polls right or "Is it the people's psyche that is seriously on the wrong track?"

Why should anyone be complaining?—he asks presumably with a straight face—stock prices are surging, car and truck sales are up and the companies are hiring. Seeking to explain this irrational response, Walsh blames it on "our short attention spans, our impatience, our collective expectation of immediate gratification. Why can't things just get better NOW?"

The well-heeled columnist insists that American workers just don't get it. They should revel in the profits being made by the corporate executives and big investors and stop complaining about not being able to keep a roof over their heads or feed their children.

Grudgingly, Walsh acknowledges there are a "few serious economic ills" left, like the "deepest housing contraction in modern memory." "Plus, there's the income inequality thing. Overall economic growth may be positive, but if the top 1% or 5% are skimming all

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the benefits, are the masses supposed to be happy about it?"

"OK, so all is not perfect and never will be," Walsh concludes.

There you have it: you might not like the "inequality thing" but that's capitalism, and workers have no choice but to accept it. This sums up the outlook of the corporate and political establishment and only serves to underscore the enormous chasm that exists between the working class and the financial "masters of the universe" that Walsh and his ilk speak for.

At the same time, the preservation of such naked exploitation depends on the ability of the UAW and other unions to suppress the resistance of the working class. A few months ago, Walsh wrote with concern about the rebellion of Indianapolis workers against the UAW and the defeat of the union's efforts to push through a 50 percent wage cut at the GM metal stamping plant in the city. "Anyone who thinks UAW members are resigned to a future of much lower wage and benefit levels," he wrote worriedly, "needs only look at the current impasse at GM's Indianapolis stamping plant."

There is growing sentiment among auto workers for a break with the UAW and the building of new organizations of struggle. Rank-and-file committees should be built in every plant to conduct a common struggle in defense of jobs and living standards. This entails a struggle not only against the auto companies but against the capitalist system as a whole and both big business parties that defend it.

The *World Socialist Web Site* spoke with Darla, a Flint area GM worker. "With all the money they are making we should be getting back what we lost. We lost $6,000 when they took our COLA (Cost of Living Adjustment) away. We lost our last bonus too. That was another $1,500.

"We're not getting that back," she added. "My son is making $14 an hour, half of what I make. You can't live on that. There is no future for young people on that wage—you're just surviving. How can you own a house or a car on that? And it's happening to everyone. Here in Flint they just asked the firefighters to take a wage cut."

Speaking on the growth of inequality, Darla said, "CEOs are making more money than ever. It used to be that a $300,000 salary for an executive was a lot. Now they are making millions. As for the working class, we are working harder than ever and making less. They just eliminated 40 jobs on my floor and they are going to make us pick up the slack. This is just making a huge gap between the rich and everybody else."

"The UAW says it okay that we get less money. The UAW is getting more money from its stocks and investments than from union dues—that's why they don't care about us. I asked my union rep about the wage cut at Lake Orion. He said, 'that's a one time thing.' I don't believe it. Why would anyone want to join the UAW when all it stands for is lower wages and benefits? I don't think Bob King is for us, and neither is Barack Obama."

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