

A revealing episode

UAW president shares private jet with Ford CEO

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Just hours before the start of negotiations between the UAW and Big Three automakers last month, UAW President Bob King stepped off the same chartered jet as multi-millionaire Ford CEO Alan Mulally.

King and Mulally had just come back from a trip to Washington, DC, for the announcement by the White House of new fuel efficiency standards for the auto industry. King later told the *Wall Street Journal* that sharing a jet with the Ford CEO was the “most expeditious way” to get to Washington.

The *Journal*, which first reported the story, observed that the trip was “unthinkable just a few years ago,” and signaled “the new, cooperative relationship” between the autoworkers union and the automakers.

The UAW’s current contract with General Motors, Ford, and Chrysler expires on September 14. This date used to be called the “strike deadline,” but the UAW has a no-strike pledge in place with Chrysler and GM, and has made clear that it has no intention of striking at Ford.

The UAW is seeking to eliminate scheduled wage increases and to expand the use of \$14-per-hour new-hires, while receiving seats on the board of directors of the automakers.

King’s trip stands out because the use of corporate jets has become the semi-official symbol in US politics of corporate excess and social inequality. The cost of chartering a round-trip one-hour flight from Detroit to Washington is about \$15,000, or more than a new-hire autoworker makes in 6 months.

In 2008, when Mulally, along with his fellow chief executives of GM and Chrysler, came to Congress to request a \$25 billion loan package, they were (hypocritically) chided by members of Congress for

arriving in charter jets costing 20 times more than a first-class ticket. At the time, the *Wall Street Journal* noted, Ron Gettelfinger, Bob King’s predecessor, took a commercial flight to Washington.

More generally, the King-Mulally trip is indicative of the close relationship between the UAW and the auto executives. This so-called union functions as nothing more than a labor contractor for the automakers and the junior partner in the exploitation of the workers.

As a part of the 2009 government-sponsored restructuring of the auto industry, the UAW became a major stakeholder in General Motors and Chrysler. The company’s stock holdings, together with the fact that it controls the workers’ healthcare and pension fund, give it a direct financial stake in cutting pay and benefits.

In recent weeks, King has repeatedly made statements calling for “cooperation” between the UAW and the automakers. “Rather than vilify the other side, we have to try to understand the other side,” King said Wednesday at a seminar sponsored by the Center for Automotive Research.

“The new global economy demands ... a radical shift in labor management relations,” King said. “We have destroyed the old us-versus-them mentality.”

King’s words have a double meaning. He speaks for the parasitic UAW bureaucracy that has grown rich by imposing concessions onto autoworkers. The interests of this social layer are in fact nearly identical with those of the corporations.

But King’s main target is the rank-and-file UAW membership, whom he is tasked with pacifying. By “cooperation,” he means that the autoworkers should lay down and accept the Big Three’s demand that the workers be forced into poverty, while the executives

and shareholders of the automakers rake in billions of dollars in profits.

King went on to add, “We have rejected rigid work rules and a litigious grievance culture that had evolved,” concluding that “the only true job security comes from producing the best value products.”

King, whose father was the director of industrial relations at Ford, has far more in common with Mulally than he does with the autoworkers he supposedly represents. He has dinner once a month with Dan Akerson, the head of GM, where the two of them no doubt discuss their plans to slash autoworkers’ pay and benefits.

It is on the basis of the increased exploitation and impoverishment of autoworkers that Mulally and his fellow auto executives were able to announce inflated profits in the second quarter of the year, even as the economy slumped.

Last week Ford announced that it had generated a second-quarter profit of \$2.4 billion, after making \$2.7 billion in 2009 and another \$6.6 billion in 2010. General Motors announced Friday that its profits had doubled in the second quarter of 2011, reaching \$2.54 billion from \$1.33 billion in the second quarter of 2010.

The UAW’s emergence as a major shareholder in the auto companies is the outcome of decades of corporatist policies, in which the organization integrated itself more and more into the structure of management. With the reorganization of the auto industry under Obama, even the pretense of conflicting interests between the UAW and the corporations has been erased.

The nakedness of King’s hobnobbing with the auto executives comes from the UAW’s belief that they can make the autoworkers accept anything. In fact, there is mass opposition to the UAW's demands for wage and benefit cuts, which must inevitably erupt into a struggle against both the automakers and their UAW lackeys.



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