The wage-cutter in chief

Patrick Martin
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President Barack Obama has taken credit for the record profits of General Motors this week, after the largest US automaker reported it raked in $7.6 billion for 2011, the most ever, fueled largely by its North American operations, which accounted for $7.2 billion of the total.

In a campaign swing on the West Coast, where he addressed multimillionaire supporters at a series of private fundraising appearances and a union rally at the Boeing aircraft plant in Seattle, Washington, Obama sounded the same theme: that the GM profits vindicated his bailout of the auto industry in 2009.

He told an audience at an auditorium in Nob Hill, one of the most affluent neighborhoods of San Francisco, "Today, GM is back on top as the world's number-one automaker. It just reported the highest profits in the 100-year history of that company."

Obama made no direct reference to the most critical element of the "saving" of the auto industry: the White House intervention to impose a 50 percent wage cut on new hires at GM and Chrysler, along with cuts in healthcare benefits for active and retired GM workers, both union and non-union.

But he made an indirect reference to it in the course of his speech at the Boeing plant Friday, which was excerpted and rebroadcast as his Saturday radio and Internet address.

"American workers," he told his audience, "you're the most productive on Earth. You can compete with anybody. You will out-work anybody, as long as the playing field is level. You can compete with any worker, anywhere, any time—in China, in Europe, it does not matter."

These remarks were interrupted by applause, undoubtedly led by the union executives who comprised the principal cheerleading section for Obama at the Seattle rally. This only demonstrates the utterly reactionary nature of both the union organizations themselves, and their alliance with the Democratic Party and the Obama administration.

Why should workers applaud the notion of "out-competing" workers in other countries? How do American workers benefit from such competition? Obama is congratulating himself and his union stooges for instigating a race to the bottom in which American workers fight with their class brothers in Europe, Japan, China and around the world over who can work the cheapest and endure the greatest exploitation for the benefit of giant transnational corporations.

When Obama invokes the "level playing field," as he did in the State of the Union speech, he is sending a message to the US corporate elite that he fully supports their drive to revive manufacturing in the United States by reducing the living standards and working conditions of American workers to the levels that now prevail in China, Mexico and other "competitor" nations.

Class-conscious workers should reject this perspective of global fratricide with the contempt it deserves. American workers have no allies either in the White House or the grotesquely misnamed Solidarity House in Detroit.

The union executives and the Democratic Party are working together to drive down labor costs and boost the profits of the auto bosses and the capitalist class as a whole, at the expense of the jobs and living standards of working people. UAW President Bob King, for

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example, is to be placed on the board of directors of GM's German subsidiary Opel, to help impose US-style wage-cutting and plant closings on German auto workers.

The Socialist Equality Party rejects these appeals to economic nationalism—the "unity" of American workers and American bosses to revive corporate profits on the basis of wage-cutting and savage exploitation. We stand for the international unity of the working class. American workers will find their true allies, not among the multimillionaire corporate CEOs and multimillionaire capitalist politicians, Democratic and Republican, but among the workers of Europe, Asia, the Middle East, Africa and Latin America.

Whether it is Greek workers fighting against across-the-board cuts in living standards of 50 percent, or Chinese workers fighting police-state repression on behalf of giant American and European manufacturers, or Egyptian workers opposing a US-backed military dictatorship, or US workers opposing the destruction of wages and benefits at Cooper Tire, the working class all over the world is fighting the same enemy.

The Socialist Equality Party has launched its campaign in the 2012 presidential elections, running Jerry White for president and Phyllis Scherrer for vice president. The first principle of this campaign is that the interests of the working class cannot be defended on the basis of a national program, but only the basis of an international revolutionary strategy that consciously unites working people across the globe in a common struggle against the capitalist system.

We urge working people and youth to join and support this campaign. For more information, go to www.socialequality.com.

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