

Obama, UAW revel in auto workers' impoverishment

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1 March 2012

President Barack Obama's speech before the United Auto Workers legislative conference in Washington, DC on Tuesday plumbed new depths of cynicism and deceit. It also exposed once again the indifference of both the White House and the UAW executives to the social disaster facing auto workers and tens of millions of working people in the US.

The president's remarks centered on a defense of his administration's restructuring of General Motors and Chrysler in 2009. Obama began by heaping praise on the UAW, calling union president Bob King "one of the finest leaders we have in labor."

He declared it was "always an honor to spend time with folks who represent the working men and women of America." He added, "It's unions like yours that fought for jobs and opportunity for generations of American workers."

As Obama and everyone else in the hall, including the press, were well aware, the UAW has given up nearly every gain auto workers fought and died for over the course of decades. Obama knew he was speaking not to the auto workers, but to a highly paid, corrupt social layer that is hostile to the workers and derives its income from serving as a junior partner in their exploitation.

Turning to the forced bankruptcy of GM and Chrysler, Obama said, "Everybody involved made sacrifices."

That is an outright lie. Auto executives, who have continued to award themselves multi-million-dollar pay packages, didn't make any sacrifices whatsoever. As Obama later boasted, to the applause of the UAW officials in attendance, General Motors recently posted the highest profits in its 100-year history.

Nor did UAW officials make the slightest sacrifice. There have been no cuts in their bloated salaries and

expense accounts. The union apparatus continues to report over a billion dollars in assets. The union headquarters in Detroit, ludicrously misnamed "Solidarity House," remains fully staffed.

As its cut in the government bailout and restructuring of GM and Chrysler, the union received huge chunks of company stock, making the UAW the majority shareholder in Chrysler and the owner of 18 percent of GM stock. The most fervent desire of the bureaucrats who cheered Obama in Washington on Tuesday is to see GM stock get back to the \$30 level it hit after the company emerged from bankruptcy and continue to climb further, along with the shares of Chrysler and Ford. They are prepared to support any attacks on rank-and-file workers, as long as their own privileges are preserved, to achieve that goal.

The only ones to suffer were the auto workers and retirees and the small business owners and employees at auto dealerships forced to close as part of the restructuring. With the full support of the UAW, the White House carried out unprecedented cuts in the workers' living standards. Tens of thousands have seen their plans for their families destroyed. Auto workers have gone back more than half a century in terms of pay and pensions.

New-hires at GM, Chrysler and Ford have had their pay slashed by one-half, hundreds of thousands of retirees have been dumped into underfunded health insurance plans run by the union, older workers have seen their wages frozen, cost-of-living adjustments eliminated and job protections undermined. The companies closed plants and eliminated tens of thousands of jobs.

In the recently negotiated auto contracts the UAW accepted even more cuts, agreeing to contracts that raised labor costs by the lowest amount in decades. In

imposing these concessions, they ran roughshod over rank-and-file opposition, simply ignoring the vote of Chrysler skilled trades workers, who rejected the contract. Most recently, GM announced a plan to slash the pensions of 19,000 white-collar workers by 35 percent or more.

These attacks have set the precedent for the destruction of pay and working conditions among broad sections of the working class. Wage-cutting and speedup are at the heart of the strategy of the Obama administration to partially revive US manufacturing and double US exports by reducing the living standards of American workers to levels approaching those in Third World countries.

The most recent example of the corporate offensive spearheaded by Obama's "rescue" of GM and Chrysler is the brutal concessions contract imposed this week on locked-out workers at the Cooper Tire plant in Findlay, Ohio. The United Steelworkers forced through a contract that reduces wages for new-hires to poverty levels while intensifying the company's effort to drive out better-paid, older workers.

The result of this corporate offensive has been soaring profits for big business. GM, the largest US carmaker, recently reported profits of \$7.6 billion for 2011. For its part, Chrysler reported \$183 million in 2011 profits, its first profit since 2005. All of this is being coined out of the immiseration of working people.

As for the new jobs being created in the auto industry, these for the most part are low-paid, part-time or contract jobs, with no security and few or no benefits.

In a cynical reference to the attacks imposed on the UAW rank-and-file, Obama asserted, "You made sacrifices." That Obama was not referring to the well-heeled delegates at the conference was well understood by those present, who greeted Obama's praise for the workers' sacrifices with applause.

Predictably, Obama took the occasion of his speech to the UAW to promote economic nationalism and anti-Chinese demagoguery, reporting—as he noted in his State of the Union address—that his administration is creating a Trade Enforcement Unit to counter "unfair trading practices throughout the world, including countries like China." This provoked thunderous applause from the UAW officialdom.

The turn by the Obama administration to escalating trade war and future military action against China has catastrophic implications for working people all over the world. Through its line-up with the White House against China and other rivals of American capitalism, the UAW is helping prepare the ground for new, more disastrous wars.

The union's promotion of "America First" chauvinism blocks the unity of workers in the US with their brothers and sisters overseas, helping the global auto companies pit workers against each other in a fratricidal competition to see who can work for the cheapest wages and under the most brutal conditions.

The UAW has long ceased to be a union in anything but name and the fantasies of its "left" apologists. It is in the business of guaranteeing cheap labor for the auto bosses and suppressing the opposition of the workers.

The workers know this. The spectacle of UAW executives and Obama jointly reveling in the slashing of their jobs and living standards will only fuel their indignation. It underscores the need for a clean break with the UAW and the building of new organizations of working class struggle.

It also raises the need for a new political orientation. The defense of the interests of the working class is bound up with a break with the Democrats and Republicans and the building of a mass socialist movement fighting to unite American workers with workers internationally against the capitalist system.

This is the fight being taken up by the Socialist Equality Party candidates for president and vice president in 2012, Jerry White and Phyllis Scherrer. The program they are advancing calls for the nationalization of the auto industry under the democratic control of the working class. To find out about the campaign and get involved, click here.



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