

UAW provides Obama a platform for his austerity assault on workers

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President Obama gave a campaign-style speech at a suburban Detroit auto factory Monday afternoon, enlisting the support of the United Auto Workers union for his attack on basic social programs at the heart of the deficit-reduction deal he is negotiating with congressional Republicans.

Union officials standing behind the president and packing the audience served as extras in this latest stage-managed effort to package a historic assault on what remains of the social reforms of the 1930s and 1960s as a defense of “middle class” working Americans. The president’s fig leaf of “fairness” and “shared sacrifice” consists of a pledge to impose a token—and temporary—increase in tax rates for the richest 2 percent of households. The UAW officials roared their approval of this reactionary farce.

Speaking at Daimler’s Detroit Diesel plant in Redford, Michigan, a working class town bordering Detroit, the poorest big city in America, the president claimed the economy was going “in the right direction.” He hailed the UAW for its role in the supposed revival of the auto industry. He praised Detroit Diesel for its plan to hire 115 workers—in a metropolitan area where 217,000 workers are officially unemployed and the real number of jobless is probably twice as high.

“I want us to bring down our deficits, but I want to do it in a balanced, responsible way,” the president declared. What was needed, Obama said, was a “package that keeps taxes where they are for middle-class families. We make some tough spending cuts on things that we don’t need, and then we ask the wealthiest Americans to pay a slightly higher tax rate.”

The cuts to programs “we don’t need” include hundreds of billions of dollars for Medicare, Medicaid and Social Security. The administration and other leading Democrats have already signaled support for raising the eligibility age for Medicare and introducing means-testing, the first

step towards dismantling the health care program for seniors. They have also indicated support for changing the formula for cost-of-living increases so as to reduce benefits for Social Security recipients.

This austerity agenda for the working class is to be accompanied by a “comprehensive tax reform” that will more than offset any 1 or 2 percent short-term increase in tax rates for the rich by slashing both personal and corporate income tax rates.

Obama repeated the administration position that the only thing standing in the way of a budget deal to avert the so-called “fiscal cliff” on January 1 is Republican resistance to any increase in tax rates for the rich. He thus signaled that none of the Republicans’ proposals for gutting social entitlement programs are excluded.

On Friday, Vice President Joseph Biden indicated the administration would be willing to drop its demand that tax rates on the rich go up from 35 percent to 39.6 percent. Signaling that the administration was willing to accept virtually any tax increase agreed to by the Republicans, Biden told White House reporters, “The top brackets have to go up... Theoretically we can negotiate how far up.”

Leading Republicans are indicating their readiness to accept such a token tax increase in return for historic attacks on Medicare, Medicaid, Social Security and other social programs. Tennessee Republican Senator Bob Corker told Fox News, “A lot of people are putting forth a theory, and I actually think it has merit, where you go ahead and give the president the rate increase on the top 2 percent, and all of a sudden the shift goes back to entitlements.”

The president’s appearance alongside the UAW underscores the anti-working class character of the alliance between the unions and the Democratic Party. In return for UAW support for the gutting of social programs on which millions of working people depend, the union

officials got a few words from the president opposing the move by Michigan's Republican-controlled state legislature and Republican Governor Rick Snyder to pass a "right-to-work" law.

The purpose of this reactionary law, due to be voted on today in the state capital of Lansing, is to undermine the ability of workers to collectively organize and fight in defense of their interests. Its immediate target is the UAW and other unions, which it seeks to undermine by banning collective bargaining agreements that require every employee to pay dues or fees to the union.

Obama declared: "What we shouldn't be doing is trying to take away your rights to bargain for better wages and working conditions. These so-called 'right to work' laws, they don't have to do with economics, they have everything to do with politics. What they're really talking about is giving you the right to work for less money."

This statement suggests that all involved—Obama and the cheering union bureaucrats—share the belief that no lie is too brazen and that workers are infinitely gullible and suffer from collective amnesia. But autoworkers are all too well aware that Obama's 2009 restructuring of the auto industry was based on a 50 percent across-the-board cut in wages for new-hires and devastating cuts in benefits for retirees. And that it was carried out with the enthusiastic support of the UAW, which threw in a six-year no-strike clause to block any resistance by the rank-and-file.

The heart of the president's argument against a "right-to-work" law was precisely the critical role played by the UAW in imposing these attacks on the workers and restoring the US auto makers to profitability. "You only have to look to Michigan—where workers were instrumental in reviving the auto industry—to see how unions have helped build not just a stronger middle class but a stronger America," he declared.

As Obama was flying to Michigan, Democratic officials were in a private meeting with Governor Snyder warning him that undermining the unions would undercut the first line of defense of corporate America and the primary agency for suppressing the class struggle. "The labor environment has dramatically improved in the state," Michigan Senator Carl Levin declared. Congressman John Dingell warned that if Snyder didn't veto the Republican legislation, it would "create intolerable conditions between management and labor and between labor and the citizens."

The president's appeals to national chauvinism and protectionism won the loudest applause from the

assembled union bureaucrats. They fully support the president's policy of "in-sourcing," i.e., enticing transnational corporations to bring production back to the US by lowering wages and benefits and imposing sweatshop conditions so as to make American labor costs competitive with those in cheap labor havens such as China and Mexico.

The sole concern of the union officialdom—who preside over corporatist labor syndicates, not genuine workers' organizations—is to maintain their fat salaries and expense accounts by insuring a continuous flow of income from union dues. They could care less whether the workers compelled to pay dues are making poverty wages and enduring intolerable speedup.

Obama got a roar of approval from the crowd when he said higher labor costs in China and a spike in productivity in US were "beginning to tip the competitive balance" towards America.

Speaking on the same day that General Motors announced the shutting of its Bochum, Germany plant, wiping out over 3,000 autoworkers' jobs, the president said, "Daimler could have made their investment somewhere else, but they didn't. So the word is going out all around the world... This is the place to be."

In fact, Daimler's decision to invest in the Redford, Michigan plant and add another 115 jobs is based on a wage-cutting agreement with the UAW. In May 2010, UAW Local 163 agreed to a six-year deal to freeze wages in all but one year, impose wages of \$12-\$14 on new-hires, end pension increases, and eliminate the eight-hour day. The company's 1,126 retirees and their dependents have been hit with a huge increase in health care costs because the retiree fund jointly administered by the company and the union ran out of money in 2004.



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