

US auto union chief addresses Australian union conference

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The Australian Workers Union's decision to invite United Auto Workers (UAW) president Bob King to be a keynote speaker at the union's national conference last week is highly significant. King and the UAW have worked closely with the Obama administration in restructuring the US auto industry, destroying thousands of jobs, slashing wages and dismantling longstanding working conditions.

In return, the union has become one of the biggest shareholders in the American auto industry, giving its bureaucrats a direct financial stake in driving up corporate profits, at the expense of the UAW's members.

King's brief at the AWU conference was to help rally the 500 union bureaucrats, functionaries and assorted hangers-on behind a campaign for the Labor government's re-election, under conditions where media polls indicate that it faces a landslide defeat at the federal election scheduled for September 14.

King urged the delegates to emulate the methods adopted by the UAW last year to assist President Barack Obama's re-election. The UAW apparatus was mobilised "down to the local union level," including to phone each union member 17 times to press them to vote for Obama. "We won an amazing victory," King declared. "I know that you can do the same thing here."

King's address followed AWU secretary Paul Howes's opening speech on Monday in which he declared that the union supported Prime Minister Julia Gillard "110 percent" because "we want someone leading this nation who's prepared to make the tough calls, the hard decisions and to cop the flak."

Amid ongoing speculation of a leadership challenge, Howes's remarks were a warning to former Prime Minister Kevin Rudd against using the disastrous poll results to make a move against Gillard. In 2010, Howes

was one of the Labor and union faction bosses who remove Rudd and installed Gillard.

Howes hopes that the AWU can help pull off an election victory for Gillard to allow the union to establish an even closer collaboration with the Labor government and the employers, along the lines established between the Obama administration and the UAW.

In 2009, during the opening stage of the global financial crisis, Obama forced General Motors and Chrysler into bankruptcy and appointed the Task Force for the Auto Industry to manage the restructure of their operations, imposing drastic wage reductions and downsizing.

Addressing a gathering of auto industry owners and executives in August 2010, King said the UAW was "deeply grateful" to the Obama administration for "saving the American car industry." King boasted: "UAW members took wage cuts of \$7,000 to \$30,000 a year." The UAW agreed to a 50 percent pay cut for new hires and a six-year ban on strikes. With the union's assistance, dozens of plants were closed and 35,000 jobs axed.

King said the UAW had taken "a strong proactive role in making sure that quality did not suffer from the workforce reductions and churning." In other words, the union functioned as a policing agency to ensure that the companies' operations were maintained, and profits boosted, via speedups and the increased exploitation of workers.

The UAW has since signed off on an "Alternative Work Schedule" that imposes mandatory 10-hour workdays and regular Saturday work with no overtime pay.

Thanks to Obama and the UAW, the car industry giants are now more profitable than they were before

the 2008 crash. Chrysler made \$1.7 billion in after-tax profits in 2012, a jump of 20 percent from a year ago. Ford made a \$5.7 billion profit last year, featuring its highest fourth quarter pre-tax profit since 1999. GM recorded a \$4 billion profit during the first three quarters of 2012.

Last week, King heralded Obama's re-election as an "amazing victory," not because it benefited the union's members but because it allowed the UAW to deepen its partnership with the government and the auto corporations.

The UAW's evolution illustrates how the trade unions, which once functioned as limited defence organisations of workers, while subordinating their interests to the capitalist profit system, have been transformed into agencies for demolishing the past hard-fought gains of workers.

The UAW's membership plummeted from 1.5 million in 1979 to just 355,000 by the end of 2009—as a result of its repeated betrayals of auto workers' struggles against the destruction of their jobs and conditions. Over the same period the union controlled investment funds ballooned and the size of its officials' salary packages grew.

This process entered a new stage in 2009. In exchange for assisting the White House to restructure the auto industry, the UAW was handed control of the multi-billion-dollar VEBA retiree health care trust fund, including billions of dollars of stock in GM, Chrysler and Ford.

The AWU and other Australian unions are already well down the same path. As a result of the compulsory superannuation scheme established in the 1990s by the Keating Labor government, union officials sit on boards controlling billions of dollars. AWU Secretary Howes helps oversee the AustralianSuper fund, which has a \$42 billion pool of retirement savings, contributed by 1.8 million workers.

Like their American counterparts, Howes and the union bureaucrats in Australia form a well-off upper middle class layer whose substantial material interests are bound up with the preservation of the profit system and who act ruthlessly to suppress any opposition to it.

The presence of King as keynote speaker at the AWU national conference is a warning to workers that the Australian unions will intensify their collaboration in the slashing of jobs and conditions to drive corporate

profits regardless of whether the next government is Labor or Liberal.



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