

# UAW head calls for restructuring Detroit on the model of the auto industry

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In response to the bankruptcy filing by the city of Detroit, the United Auto Workers (UAW) is offering its assistance—not to the workers in Detroit who are facing massive attacks on their wages, jobs, health care benefits and pensions, but to the banks and corporate creditors who are seeking to bleed the city dry.

The UAW along with the other Detroit area unions, including the American Federation of State County and Municipal Employees (AFSCME), the largest city worker union, have repeatedly stated their willingness to hand over massive concessions. Their main complaint is that Orr has so far spurned their offers of collaboration.

In a series of statements issued in the wake of Detroit's bankruptcy filing, UAW President Bob King has urged that the restructuring of Detroit be modeled on the huge cuts imposed by the Obama administration on auto workers in the wake of the 2009 forced bankruptcy of General Motors and Chrysler.

Typical were King's remarks in a recent interview published in the liberal magazine *In These Times*. The UAW head first noted that the union had worked with AFSCME to craft a proposed concessions package totaling \$180 million. "We agreed that the unions should collaborate with the city and try to make these savings happen," he said. King complained that city officials did not respond to this offer.

King went on to boast of the UAW's role in the 2009 restructuring of the auto industry. "If we restructure the city just like we restructured the auto industry, there's hope that Detroit, too, can see a turnaround."

What is the model that King proposes for Detroit? In 2009, working closely with the Obama administration, the UAW agreed to a 50 percent wage cut for new hires, the continuation of a decade-long wage freeze and sharp cuts in worker and retiree benefits.

Meanwhile, tens of thousands of jobs were destroyed.

Auto profits have soared as a direct result of these cuts. US carmakers raked in some \$11 billion in 2012. Ford took in \$1.23 billion in the second quarter of 2013, while Chrysler expects a net profit of \$2.2 billion for the present fiscal year. General Motors, meanwhile, recorded \$1.2 billion net income for the second quarter, including an operating profit of \$2 billion on its North American operations.

While auto workers surrendered jobs, wages, working conditions and benefits, the officials that staff the UAW were rewarded handsomely. As part of the restructuring, the auto companies agreed to hand over billions of dollars in stock to the retiree health care trust funds controlled by the UAW. This gave the UAW a direct financial stake in helping the auto companies slash labor costs in order to boost the value of its stock shares. Union officials are undoubtedly eyeing a similar payoff in relation to the city of Detroit.

In the interview, King went on to praise Ford Motor founder Henry Ford as "a great citizen" and a "great leader." Ford was a notorious anti-Semite and an admirer of Adolph Hitler. A bitter opponent of the unions, his thugs carried out brutal attacks on socialists and union supporters, including the killing of five workers and the wounding of dozens more who were participating in the Hunger March outside the Ford Rouge plant in 1932. The killing sparked a mass outpouring of sympathy and support, with tens of thousands of workers participating in a funeral procession for the slain workers. Later, in the so-called battle of the overpass, Ford's thugs beat auto workers.

Today, an unbridgeable chasm separates auto workers from UAW executives like King and his army of retainers, who staff the offices of the misnamed Solidarity House. While auto workers have taken one

cut after another, UAW officials enjoy six-figure salaries, expense accounts and lavish pensions.

King's comments once again underscore the fact that the UAW is not a workers organization. It long ago abandoned even a verbal defense of the interests of the working class in favor of rabid nationalism and union-management collaboration. In the factories, it serves as the enforcer of management's dictates, helping to impose ever more intolerable conditions in exchange for a share of the profits extracted by the auto companies off the backs of workers.

Just as the UAW helped the Obama administration carry out an assault on auto workers in the 2009 bailout of the auto industry, which was then used as a model for slashing pay and benefits for workers in the manufacturing sector all across the US, it is positioning itself to play the same role in the Detroit bankruptcy. As King well knows, the bankruptcy of Detroit is being used by the ruling class as a precedent for shredding labor agreements and imposing deep cuts in pensions, health care benefits and wages on state and municipal workers from Maine to California.

The UAW's support for the Democratic Party and its unswerving defense of the interests of corporate management and the capitalist profit system thus go hand in hand.



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