Oversaw 1979 Chrysler concessions

Former UAW official Marc Stepp dies

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Former United Auto Workers Vice President Marc Stepp, who died last month at the age of 93, played a key role in the precedent setting Chrysler bailout of 1979-80. The sweeping concessions Stepp and other union officials imposed on Chrysler workers were a milestone in the corporatist degeneration of the UAW and the American labor movement as a whole.

His death was noted by major Detroit area publications. In a tribute to Stepp, Norwood Jewell, the current UAW vice president in charge of Chrysler who pushed through another sellout deal last year, said, “Marc Stepp was a tough leader and he led the union’s Chrysler department during a difficult time.” He continued, “In 1979, when he lobbied Congress on behalf of UAW members, he proved that the voice of our members was essential to the company’s future and its success. He left us with a foundation that we continue to build on.”

The foundation that Stepp played a part in creating was the transformation of the unions, constructed by workers in the bitter battles of the 1930s and 1940s, into appendages of the corporations and the Democratic Party. By the time Stepp died the UAW had shed every vestige of its past militant traditions.

Stepp went to work in the auto plants in the immediate aftermath of the great battles of the 1930s. His activity in the UAW spanned the period of the post WWII boom, which while it saw many militant struggles, was dominated by the policy of relative class compromise practiced by corporate America and both big business parties.

Stepp was born in 1923 in Versailles, Kentucky and his family moved to Evansville, Indiana when he was 11. As a young man he moved to Detroit looking for work. He took a number of jobs before being drafted into the US Army in 1943, where he served in the US Army Air Corps.

After leaving the Army, Stepp got a job at the Chrysler Highland Park plant where he worked for 19 years. In 1957 he joined with other black UAW members, including Horace Sheffield, to form the Trade Union Leadership Council, to press for more blacks in the skilled trades and UAW leadership positions. He began working his way up the union hierarchy. In 1960 Stepp ran for president of his local and won by 54 votes.

In 1967 Stepp was appointed as an international representative with UAW region 1B and in 1974 was elected to the position of international vice president in charge of Chrysler, one of the first African Americans to hold such a high post in the union. At this time he was also heavily involved in Democratic Party politics, helping with the campaign of Congressman John Conyers of Detroit.

Stepp was part of a layer of African Americans who, beginning in the 1960s, were recruited and co-opted into positions in Democratic Party politics, the middle class professions and the unions to serve as a buffer between the mass of black workers and the ruling establishment. His elevation to the UAW international staff coincided the eruption of black workers and youth in Detroit in 1967, part of a series of ghetto rebellions in major working class centers across the US. Unlike other of his contemporaries, such as Coleman Young, who was elected as Detroit’s first black mayor in 1972, there is no record of Stepp ever being associated with left-wing politics.

The Stalinist Communist Party, however, retained powerful influence in the UAW, including at the Jefferson and Dodge Main plants in Detroit, where it promoted the Democratic Party and former CP member Coleman Young.

The elevation of Stepp to head the Chrysler department came in the wake of militant struggles by Chrysler workers, one-third of who were black. In 1973 the UAW had only with great effort squelched a rebellion led by the black nationalist Dodge Revolutionary Union Movement at the Mack Avenue Stamping plant in Detroit. It also coincided with a wave of strikes by Chrysler workers, including a 1975 rebellion by workers at the Chrysler Dodge Truck plant in Warren, Michigan.

The period 1973-74 was a turning point in the class struggle in the United States. The first of a wave of mass layoffs hit the auto industry, as the US faced growing competition from powerful industrial rivals in Japan and Germany, and the Arab oil embargo in 1973 led to a fall in sales for the larger cars being built in Detroit and a surge of imports.

By 1979, the US ruling elite abandoned the policy of class compromise and sought to reverse the decline in the world economic position of American capitalism by using plant closings and mass layoffs to beat back the resistance of workers who had waged wildcat strikes and other militant actions in the early and mid-1970s to defend their living standards. Then-US President Jimmy Carter appointed Paul Volcker to head the US Federal Reserve bank in 1979 and the former Chase Manhattan bank executive quickly drove interest rates through the roof, forcing large sections of US manufacturing to the wall.

In 1979 Chrysler, the smallest and least profitable of the Big Three Detroit automakers, was facing bankruptcy. Then-UAW President Douglas Fraser, breaking with all previous precedent, raised for the first time the possibility that the union would agree to concessions to assist the company in its time of crisis. The UAW collaborated with the Carter administration and Congress to organize a federal bailout of Chrysler that was contingent on autoworkers taking massive pay cuts. In exchange Fraser was brought onto the board of directors of Chrysler, the first time a UAW official ever served in such a capacity.

Eventually Chrysler workers were targeted for three more rounds of concessions, each time with the threat of layoffs and plant closures used as a weapon. Among the factories closed around this time was

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the massive Dodge Main plant in the Detroit enclave of Hamtramck. In the course of this bloodbath Chrysler eliminated some 57,000 jobs and closed nearly 30 factories, including more than a dozen in Detroit.

Over massive opposition the UAW finally forced through the cuts, which included the loss of $4,000 in wages and benefits for each worker. When Canadian autoworkers voted down the concessions, the UAW offered to cut another $25 million from American workers.

Stepp summed up the pro-capitalist position of the UAW declaring, "I believe that the company will have to trim operations down. But what can you do about it? We have free enterprise in this country. The corporations have a right to make a profit."

Stepp and then-Chrysler Executive David Dauch toured every Chrysler plant threatening workers' jobs unless they agreed to speed-up and the destruction of work rules.

(Dauch later founded American Axle out of the remains of General Motors' old gear and axle operations. In 2008 provoked a nearly three-month strike, which the UAW isolated and betrayed, leading to massive pay cuts and the closure of the company's Tonawanda, New York and Detroit operations.)

In his 1993 book, *Passion for Manufacturing*, Dauch wrote of Stepp's role at Chrysler: "We would go in, stop operations, and talk to people. Marc has the ability to communicate in his own special way, telling them bluntly, 'No quality, no sales. No sales, no jobs.' Saying this when he was standing arm and arm with a management guy, especially an executive vice president, got attention. Our message–delivered in these Town Hall meetings, cooperation, quality improvement, and responsibleness to the market."

In return Stepp wrote a sycophantic forward to Dauch's book, in which in praised the author's supposed "passionate commitment" to Chrysler workers.

The 1979-80 concessions at Chrysler were accompanied by the promotion of anti-foreigner hysteria by Chrysler Chairman Lee Iacocca and the UAW, blaming Japanese and other workers for stealing American jobs. As a consequence of this campaign, Vincent Chin, a Chinese-American worker in Detroit, was bludgeoned to death by two men, one of them a Chrysler foreman, who thought he was Japanese.

The concessions at Chrysler signaled the launch of a big business offensive against American workers. This accelerated in 1981 when President Ronald Reagan fired the PATCO air traffic controllers, with the complicity of the AFL-CIO union federation. This marked the beginning of a wave of union busting and concessions that produced the desperate conditions that confront tens of millions of workers today.

Although socialists played key roles in the sit-down strikes and other mass struggles that led to the founding of the UAW and other mass industrial unions in the 1930s, a pro-capitalist leadership, including such figures as Walter Reuther, soon consolidated its grip on the newly formed CIO and subordinated the working class to the Democratic Party and the domestic and foreign policy needs of American capitalism.

While workers were still able to make gains through the unions until the mid-1970s, the response of the unions to capitalist globalization and the decline in the world economic position of the US was to repudiate the traditions of class struggle. By the early 1980s, the UAW openly embraced union-management "partnership" based on suppressing every form of worker resistance to plant closings, mass layoffs and wage and benefit cuts. The degeneration of the US unions was part of an international process as unions around the world vied to attract global investment by lowering the cost of labor.

Stepp's career was the embodiment of this process. In 1980 he helped create the UAW/Chrysler product-quality improvement program and worked to develop the so-called Modern Operating Agreements (MOA) in Chrysler plants, that undermined long standing working conditions and job protections.

Stepp was a strong advocate of all these corporatist policies including the "team concept," which effaced the distinction between union and management. In 1986 he agreed to implement Japanese-style management practices at the Jefferson Avenue Assembly Plant in Detroit, boasting that it would reduce the need for management personnel, whose role would be in effect assumed by union members. These joint programs led more and more to the direct incorporation of the UAW into the structure of corporate management and opened up whole new sources of income for the union bureaucracy, which swelled in size despite the decimation of union membership.

Stepp's retirement from the UAW in 1988 did not end his involvement in public life. Like many former UAW and Democratic Party officials in Detroit he gained an academic sinecure, becoming director of Urban Affairs and Community Relations at the University of Detroit. Since 1987 he served as director of Metropolitan Reality Corp, a real estate investment trust. He also served on the Democratic National Committee.

The UAW today is little more than a bureaucratic rump. Despite the decline in its membership from 1.5 million in 1979 to less than 500,000, the union still controls close to $1 billion in assets that supports a small army of union functionaries earning in excess of $100,000 a year. At the same time the auto companies directly fund scores of lucrative positions for UAW officials through a myriad of joint labor management programs. In addition, the UAW controls billions more in assets through management of the retiree health care trust, or VEBA, including a sizeable chunk of auto company stock.

The transformation of the UAW from a mass workers organization into a business operation was the outcome of objective processes stemming from the globalization of capitalist production and the failure of all labor organizations based on nationalism and the defense of the crisis-ridden capitalist system. Figures such as Stepp, who combined personal ambition with political narrow mindedness and bureaucratic pig headedness, played a leading and dishonorable role in this transformation.

It is up to a new generation of autoworkers to assimilate the lesson of these betrayals and to build new organizations of struggle controlled by rank-and-file workers themselves. A new revolutionary leadership of the working class, which bases itself on socialist and internationalist principles, is needed to prepare and guide the coming struggles.

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