

# Amidst talk of US auto industry consolidation UAW pushes economic nationalism ahead of 2019 contracts

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Recent media discussion of a possible consolidation among US carmakers underscores the highly precarious state of the auto industry and the looming threat of major jobs cuts.

Wall Street is putting intense pressure on the Detroit auto companies to increase profit margins and continue cost cutting. The announcement of a series of joint ventures between Ford and German carmaker Volkswagen has sparked speculation about a possible merger between the two giant automakers. Ford and VW are currently in talks for cooperation on the production of mini-vans with the possibility of expanded collaboration being raised.

Wall Street has punished Ford's share prices this year, with Ford stock down more than 20 percent due to what are perceived to be insufficient earnings. The company has warned that it plans to cut significant numbers of jobs as part of a global restructuring operation aimed at driving up profit margins.

Ford recently announced a global restructuring operation that will lead to significant job cuts while some investors are pushing for a merger by Fiat Chrysler with either Ford or GM. The late FCA CEO Sergio Marchionne had long sought a merger with GM or another major car manufacturer citing the enormous development costs for electric and autonomous vehicles.

At the same time, GM has offered buyouts to salaried employees worldwide with more than 12 years seniority, some 18,000 people, in an effort to cut costs. Three of GM's five car assembly plants are only running one shift, encouraging speculation that the company may close one or more facility.

Predictably, the United Auto Workers has responded

to the threat to jobs by aligning itself ever more closely with the America First nationalism and protectionist agenda of the Trump administration. This was highlighted by a recent open letter from UAW Vice President for General Motors Terry Dittes noting GM's booming profits and blasting the company for expanding production in Mexico and China.

In his letter, Dittes noted that many GM car plants were running a single shift, adding "filling our plants with product" has to be a top priority in the upcoming 2019 national contract negotiations. This should be taken as a warning to workers that the UAW will seek to impose even more concessions on workers. The supposed pursuit of "job security" has been used as the justification of imposing decades of concessions, which have transformed autoworkers from the highest paid industrial workers in the US to an increasingly low-paid and casual workforce.

Dittes then blasts GM for expanding production in China and Mexico, declaring that the union "had denounced this further erosion of American jobs and UAW jobs." He goes on to urge workers to check the Vehicle Identification Number (VIN) tags of new cars purchased to verify they are made in the United States.

The endless promotion by the UAW of its reactionary Buy American campaign has not defended a single job. Ever since the 1979 near bankruptcy of Chrysler, the UAW has promoted anti-foreigner nationalism to divert workers from a united struggle against the auto corporations. This has gone hand-in-hand with corporatist collaboration between the union and management aimed at increasing the "competitiveness" and profits of the auto corporations by squeezing ever-greater profits and productivity off the backs of

workers.

The retrograde nationalism of the UAW flies in the face of the reality of the globalized nature of modern industry. Autoworkers in Mexico, China, Europe and all over the world are tied together in an integrated system of production in which the national “identity” of any particular vehicle is virtually impossible to determine. Given this fact, the role of the nationalism promoted by the UAW and other unions only serves the interests of the bosses by promoting a fratricidal competition between workers in different countries. Unless decisively opposed, this can only lead to impoverishment of all workers.

Dittes concludes his letter by stating that “product and job security” will be the starting point for the UAW in upcoming contract talks with the Detroit automakers.

As many workers are well aware, such talk by the UAW is a signal that it intends to impose yet another pro-company agreement in 2019 to further slash US labor costs and drive up profits for the auto companies.

While Dittes rants against China and Mexico, the UAW has sat by without lifting a finger while GM cuts thousands of car assembly plant jobs, including the elimination of a shift earlier this year at the Lordstown, Ohio, assembly plant. Prior to the layoff, the UAW signed a provocative secret Memorandum of Understanding with GM permitting management to hire lower paid contract workers to take over jobs formerly performed by regular GM employees.

The supposed job guarantees negotiated by the UAW in exchange for concessions have all turned out to be worthless. Since 1979 the Detroit automakers have eliminated hundreds of thousands of jobs with no resistance by the UAW. In not one case has the UAW called a strike or organized a mass demonstration against layoffs or plant closures. Mimicking corporate management and Wall Street analysts, UAW officials justified recent layoffs by GM on the grounds they were dictated by “market conditions.”

The 2015 contract further facilitated layoffs by vastly expanding the number of temporary part-time workers who are excluded from most contract protections, including eligibility for supplementary unemployment benefits. In 2009 the UAW agreed to eliminate the jobs bank that provided limited job security for laid-off workers. The auto companies soon followed up by eliminating tens of thousands of jobs.

The UAW has supported the proposal by the Trump administration for tariffs on imported autos and auto parts, a measure that if implemented would have potentially devastating impact on world trade and enormously exacerbate global tensions. Trump’s trade policies are not aimed at defending jobs, in fact a vast contraction of production is the likely outcome, but at developing “fortress America” aimed at military conflict with global rivals, in the first place China or Russia.

The program of the UAW dovetails with this agenda, lining up American workers behind US preparations for a catastrophic war. This is the deadly logic of the UAW’s economic nationalism.

Workers all over the world have a common interest in opposing the promotion of nationalism and chauvinism by the unions. The destruction of jobs and living conditions as well as the threat of war are the product of the capitalist system and the insatiable drive by big business for profit.

The very real threat of massive job cuts can only be countered by the mobilization of autoworkers in a united struggle, coordinated with their brother workers overseas, against the global auto giants. To be successful, this struggle must be conducted independently of the UAW through the building of a network of rank-and-file factory committees, democratically controlled by workers and committed to a collective struggle to defend the right to good-paying jobs for all workers. This necessarily means a rejection of the economic nationalism promoted by the UAW and fraternal collaboration of workers in different lands based on a socialist and internationalist program.



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