

# As Wall Street bankrolls GM, UAW tries to starve strikers into submission

Jerry White  
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The strike by 48,000 General Motors workers in the United States, now in its third week, is at a critical juncture. Although it has gone on longer than the company and investors expected, costing GM \$1 billion in third quarter earnings, according to JP Morgan estimates, the auto company is being backed by Wall Street and has not flinched from its demands.

In recent days, the hedge fund managers and financial investors who hold the fate of GM in their hands have made it clear they want the strike defeated no matter what the short-term costs to the automaker.

In a report, “Wall Street patient as UAW strike against GM drags on, talks progress,” CNBC noted that “Investors aren’t all that worried because they see the strike as short-term pain that will pay off with lower long-term employee costs—even if it costs the automaker hundreds of millions, if not billions, of dollars in lost production.”

For the financial aristocracy the defeat of the strike is a strategic, not a short-term, question. In the face of growing signs of a global economic downturn and vast technological changes, Wall Street is seeking a broader restructuring of the global auto industry and a shift of capital towards electric and autonomous vehicles. Though not profitable yet, these technologies promise immense returns to investors from whatever global automaker dominates the market.

This will require, however, the destruction of whatever is left of the social rights of autoworkers. The auto industry must impose the conditions that prevail at tech giants like Tesla, Amazon and Google. Rather than having any expectation of long-term employment, annual raises, medical coverage and a pension after retirement, autoworkers will face the same hyper-exploitation as workers in the so-called Gig Economy.

The “Amazonization” of the global auto industry

means future workers will be nothing but low-paid contract workers or “perma-temps” who can be hired and fired at will, depending on which way the economic winds blow.

Wall Street is gearing up for a fight that will have vast implications for the future of workers at Ford and Fiat Chrysler, in every auto and auto parts factory in the US and across the planet and for workers in every economic sector.

According to a former labor negotiator for Fiat Chrysler, Colin Lightbody, GM would save half a billion dollars in annual labor costs if it achieves its aims of increasing workers’ out-of-pocket contributions for health care from three percent to 15 percent and dramatically increases the number of low-paid temporary workers.

“If GM prevails on those increases, that sort of settlement could save GM \$5 an hour in labor costs, translating into some \$500 million a year—enough to possibly make up for profits lost in the first two weeks of the strike,” the *Detroit Free Press* wrote. “That’s a lot of money and that’s why GM is willing to hold out,” Lightbody told the newspaper.

In the face of this historic attack, the United Auto Workers does not have a strategy for victory but for defeat. Rather than mobilizing workers at all the Big Three automakers, the UAW has forced the 100,000-plus workers at Ford and Fiat Chrysler to continue working, even though they will face the same concession demands or worse if the GM strike is defeated.

Instead of giving striking workers the resources they need for a long fight against the deep-pocketed company, the UAW is only giving workers \$250 a week from its \$800 million strike fund, even as UAW President Gary Jones collects his full salary of \$5,004 a

week.

As one 30-year veteran at GM's Fort Wayne, Indiana, plant said, "They have us set up to fail. Ford and Chrysler should be out with us. They're trying to starve us out, so they can impose whatever GM wants."

The UAW has also kept workers completely in the dark about the ongoing "negotiations" with the automakers. After a torrent of protests from angry workers, UAW-GM Vice President Terry Dittes released a statement Tuesday claiming that the UAW had rejected a GM proposal "that did not satisfy your contract demands or needs." The offer "came up short" on some issues, "like health care, wages, temporary employees, skilled trades and job security to name a few."

Dittes claimed the UAW had submitted a counter-proposal, but he did not provide a single detail about its supposed demands to the company.

The whole charade is a fraud from beginning to end. The UAW has no counteroffer because it agrees with slashing health care costs and expanding the number of temporary workers in the electric vehicle plants, who will still be forced to pay UAW dues.

The UAW has spent years laying the groundwork to impose precisely these demands. If it hasn't brought these demands back to workers, it is only because the corrupt company agents in the UAW know that workers would reject it and revolt against the whole rotten UAW apparatus.

The only way GM workers can prevent the defeat of the strike is by taking matters into their own hands and radically changing the course of this decisive battle. This means building new organizations of struggle, rank-and-file strike and factory committees, which will operate independently of the UAW and bring all the resources—human and material—to bear in this fight.

Rank-and-file committees should call on Ford and Fiat Chrysler workers to break the isolation of the GM strike and launch a national strike to shut down the auto and auto parts industry. At the same time, they should demand the tripling of strike pay to \$750 a week.

In opposition to the economic nationalism and anti-Mexican and anti-Chinese chauvinism promoted by the UAW, Trump and the Democratic presidential candidates, these committees will fight to unite autoworkers in the US with their class brothers and sisters in Canada, Mexico, Korea and other countries

who are also in a fight against GM and the other global automakers.

The common conditions facing autoworkers around the world were seen Tuesday, when Fiat Chrysler workers walked out of a plant in Cassino, Italy, after one of their fellow workers was crushed to death.

This strike is not just against GM, it is against the entire ruling class, which has waged a decades-long war against workers in order to accumulate unfathomable levels of personal wealth. It is part of the broader resurgence of the class struggle in the US and around the world, which has included mass strikes by teachers in the US and other countries, including 200,000 educators in Sri Lanka, the wildcat strikes by Mexican *maquiladora* sweatshop workers and mass protests in France and Puerto Rico.

Workers must challenge the entire rotten political establishment. Workers have no dogs in the fight in Washington between Trump and the Democratic Party. Nothing will improve, no matter how the ruling class sorts out its internal divisions. The Democratic Party has explicitly restricted its impeachment inquiry to its differences with Trump over foreign policy and military action. It is doing everything it can to prevent workers and young people from expressing their opposition to social inequality and the descent into dictatorship, which is backed by both corporate controlled parties.

But that is precisely what is needed. Autoworkers should reach out to teachers, health care workers, Amazon and other logistics workers, and all sections of workers and young people to turn this industrial struggle into a powerful political struggle against capitalist exploitation.

To answer the global strategy of the giant corporations and Wall Street, workers need their own international and socialist strategy aimed at reorganizing the global auto industry and the entire world economy based on production for human need, not private profit.



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