

The political issues in the UAW election referendum

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In the coming weeks, autoworkers across the US will begin voting in a referendum over whether to implement direct election of the United Auto Workers' top officials, who sit on the International Executive Board (IEB). Referendum ballots are currently scheduled to be mailed out to UAW members on October 19, and votes must be received by November 29.

If approved, direct election of the IEB would replace the current practice, in which IEB members are elected by delegates to the UAW's quadrennial conventions, which has long been used by the UAW's ruling Administrative Caucus to maintain its grip on power.

Overseen by a government-appointed monitor, the referendum comes amidst an historic crisis of the UAW.

Since first breaking into the open in 2017, a spiraling corruption scandal has engulfed the UAW. A years-long federal criminal investigation revealed that union executives took millions in bribes from officials at Fiat Chrysler (now part of the conglomerate Stellantis). In return, the UAW imposed one company-friendly contract after another, facilitating a savage assault on workers' jobs, wages, benefits and working conditions, not just at Chrysler, but throughout the auto industry.

The criminal proceedings also revealed that leading UAW officials engaged in myriad forms of graft and embezzlement. Illicit funds, whether from bribes, kickbacks, or stolen workers' dues, were used to bankroll months-long stays at Palm Springs, California villas, golf outings, the purchase of designer clothing, steakhouse dinners and premium liquor and cigars, as well as other extravagances.

To date, 11 UAW officials and the widow of another have been indicted or convicted on charges stemming from the investigation. Two of the last four union presidents, Dennis Williams and Gary Jones, recently began their unduly lenient prison sentences after both pleaded guilty to conspiring to embezzle over a million dollars from the UAW treasury.

The revelations emerging out of the corruption scandal only confirmed what many workers had long suspected: That the UAW is run by self-interested criminals who are in the pocket of the corporations. The scandal has further eroded what little remained of workers' confidence in the organization, and contributed to a growing mood of rebellion, as expressed in the 40-day strike at General Motors in 2019, the revolt of Volvo Trucks workers earlier this year, and the overwhelming contract rejection at parts maker Dana Corporation in recent weeks.

The role of the UAW and the rest of the unions, both in the US and around the world, is to enforce the demands of the corporate-financial oligarchy for the reopening of the economy in the midst of the deadly pandemic. The unions have compelled workers to work in virus-infested plants and work locations to ensure the continued flow of corporate profits, resulting in millions of preventable deaths, making crystal clear the irreconcilable antagonism between these organizations and the workers they falsely claim to represent.

The referendum is taking place under the terms of a consent decree agreed to between the US Department of Justice and the UAW in a

settlement in January, which deferred racketeering charges and the potential for a full government takeover. An "independent monitor," former banking regulator Neil Barofsky, was selected by the US Attorney's office to oversee the referendum and the overall terms of the consent decree, which grants Barofsky limited powers to bring disciplinary proceedings against UAW officials.

The present system by which the UAW's ruling faction maintains its hold on office—by doling out privileges and high-paying positions to convention delegates and local union officers, who loyally elect their patrons—is blatantly undemocratic. It resembles more the methods of the Mafia than anything workers traditionally associated with the conception of a trade union.

The *World Socialist Web Site Autoworker Newsletter* and the Socialist Equality Party are intransigent opponents of the bureaucratic regime that exercises total control over the UAW. We oppose every attempt by the highly-paid union executives to attack workers' democratic rights, whether through rigged elections and contract votes, efforts to silence workers and restrict free speech, or attempts to block workers from organizing independently in rank-and-file factory committees. Workers have every right to elect a union's leading officials directly.

However, the reality is that direct election of the UAW executive board would not fundamentally change the character of the institution, which functions as a billion-dollar business and auxiliary of company management.

To the extent that dissident local union officials and their allies in pseudo-left organizations are promoting the referendum to claim that the UAW can be reformed and made an instrument of the democratic will and social interests of the workers, they are leading autoworkers into a blind alley. They are diverting workers from the urgent task of building new, genuinely democratic organizations of struggle independent of the "union" apparatus.

Any road to reforming the UAW closed long ago. Over the last 40 years, the UAW has developed numerous financial and material interests—such as joint labor-management training centers, multi-billion-dollar trust funds, and growing investments in the stock market—which objectively determine its hostility to workers. It is no exaggeration to say that the very existence of the UAW, which has seen its membership fall from 1.5 million in 1979 to barely 400,000 today, has depended on the financial backing and political support of the auto bosses and the Democratic Party, which rely on it to suppress the class struggle.

A mass movement for workers' rights, including a good-paying job, secure retirement, fully funded health care, safe working conditions and protection from the COVID-19 pandemic, is urgently needed. But such a movement will not emerge from the UAW or any of the other official "unions."

Workers need new, genuinely democratic workers' organizations: rank-and-file factory committees. These committees must be based on a strategy that is diametrically opposed to the corporatist and nationalist

policies of the UAW. They must fight for the needs of the workers, not the corporations. They must be independent of the two corporate-controlled political parties. And they must fight for the international unity of workers against the multi-national corporations.

Why the government intervened in the UAW

As a preliminary matter, the government intervention into the UAW—initiated under the Obama administration and continued under Trump and now Biden—has not been conducted for the purpose of making workers whole and restoring the billions of dollars in wages and benefits they lost as a result of the UAW’s collusion with the automakers.

Rather, the corruption case was undertaken because of growing concerns in the ruling class and the capitalist state over the eroding credibility and stability of the UAW, particularly after the bitter 2015 Big Three contract battle. That year, workers at Fiat Chrysler voted down a UAW-backed national contract by a nearly two-to-one margin, marking the first rejection of a UAW-backed national contract since the 1970s. UAW officials were barely able to ram through essentially the same agreement in a subsequent vote at Fiat Chrysler and secure passage of similar deals at General Motors and Ford (in the latter case, amidst widespread suspicions of ballot fraud). The corruption probe nominally began the same year, although there can be little doubt that the government was aware of illegal activities by UAW officials prior to that.

The underlying motivations behind the government intervention were expressed in the consent decree itself, in which United States District Judge David M. Lawson wrote: “The United States and the UAW agree that honest and duly-elected officials of the UAW are the best equipped to collectively bargain on behalf of its members and *to enforce said agreements vigorously and aggressively* [emphasis added].” In other words, the gratuitous corruption of UAW officials has undermined their ability to “enforce” pro-company contracts and the terms of workers’ exploitation “vigorously and aggressively.”

Similar concerns were behind the last government intervention to “clean up” corruption and prevent the collapse of a major trade union, in the racketeering case and eventual federal takeover of the International Brotherhood of Teamsters (IBT) in the late 1980s under the Republican administrations of President Ronald Reagan and George H.W. Bush. The most egregiously corrupt union officials in the Teamsters were dismissed from their posts, and government-supervised elections in 1991 resulted in Ron Carey assuming the position of union president, with the backing of the Teamsters for a Democratic Union (TDU) “reform” faction.

Carey proceeded to carry out betrayals of workers’ struggles, including the 1997 UPS strike, just as treacherously as his more openly mob-connected predecessors. In the late 1990s, Carey was ousted from his position after being implicated in a complex money-laundering and kickback scheme. His successor as Teamsters president, James P. Hoffa, has himself overseen one concessionary agreement after another. In 2018, the Teamsters overrode UPS workers’ “no” vote on a five-year contract, demonstrating the union’s total contempt for workers’ democratic rights.

The role of UAWD and Labor Notes

This precedent has not stopped various so-called reformers in the UAW from promoting the referendum and the “one member, one vote” system as a panacea for workers. This includes Unite All Workers for Democracy

(UAWD), which has close ties to both the pseudo-left Democratic Socialists of America (DSA) and *Labor Notes*, an organization that has long promoted various “dissident” factions of the union bureaucracies, including the TDU. Scott Houldieson, former vice president of UAW Local 551 at Ford’s Chicago Assembly plant, is co-chair of UAWD and is regularly cited in both the corporate and pseudo-left press as a leading “critic” of Solidarity House.

Houldieson, quoted in an article on the referendum in *Labor Notes* on September 27, presents the vote in apocalyptic terms: “What’s at stake? Everything, for future UAW members. If the Admin Caucus remains in control without the ability for members to really hold them accountable, then we can expect that the kind of contract negotiations that went on at Volvo are going to continue.”

He continued, “If we want a union that’s willing to take on the company, we’re going to have to change course, change leadership—and that’s not likely to happen without one member, one vote.”

Houldieson and his colleagues no doubt have themselves in mind as candidates for the change in leadership. The UAWD has lobbied to have a formal role in the government’s decision-making process over UAW “reforms,” going so far as to file a motion in February asking to be granted “intervenor” status in the implementation of the consent decree, which was subsequently denied in April by the aforementioned Judge Lawson.

Neither Houldieson nor *Labor Notes* is willing or able to explain in any serious way the historical causes behind the imperviousness of the UAW’s ruling faction to rank-and-file opposition. Nor do they care to mention the fact that many layers of the UAW bureaucracy, including local officials and convention delegates, are, at least nominally, directly elected, and yet regularly rubber-stamp the pro-corporate betrayals of the union’s top executives, while carrying out sellouts of their own.

Ultimately, this is because the mid-level union officials or former officials who are the driving force behind UAWD and *Labor Notes* share the same fundamental perspective as the layers they are seeking to replace: nationalism and support for capitalism and the Democratic Party.

How the Administrative Caucus came to dominate the UAW

The consolidation of power in the UAW by Walter Reuther in the “Reuther Caucus” (later named Administrative Caucus) was preceded by his open embrace of the Democratic Party in the 1930s and accompanied by his launch of a red-baiting, anti-communist campaign in the 1940s. The Reuther leadership expelled large numbers of left-wing, militant and socialist-minded workers who had played leading roles in the sit-down strikes and early organizing struggles that established the UAW in the preceding decade. The UAW and the other industrial unions of the CIO rejected the formation of a labor party, blocking any move towards establishing workers’ political independence from the big business parties and instead subordinating workers to the Democrats.

In return for the UAW’s imposition of a no-strike pledge during World War II (facilitating the automakers’ war-time profiteering), the Roosevelt administration backed the establishment of the automatic dues check-off system and other “union security” measures, helping insulate the UAW and its income from the discontent of the rank and file.

Following the war, Reuther and the UAW leadership signed a series of labor agreements, culminating in the 1950 Treaty of Detroit, which tied wages to productivity, abandoned any serious challenge to “management’s rights” to deploy its machinery and workforces as it saw fit, and severely undermined the ability of left-wing shop stewards and other militant workers to halt production until workers’ grievances were

resolved.

This post-war order and the period of relative class compromise were to prove short-lived, increasingly undermined by the decline of America's economic supremacy relative to its rivals by the 1960s and 1970s. The globalization of capitalist production, and the ability of multi-national corporations to scour the planet for cheaper labor, exposed the complete bankruptcy of the UAW's nationalist and pro-capitalist program. In the name of making US corporations "more competitive," the UAW and other unions abandoned any resistance to the destruction of jobs and living standards and integrated themselves into the structure of corporate management.

During the 1979 government bailout of Chrysler, UAW President Douglas Fraser was brought onto the company's board of directors and collaborated in the destruction of tens of thousands of jobs and savage wage cuts. The concessionary contract at Chrysler, followed by similar contracts at GM and Ford, was supposed to be "temporary," but proved to be just the opening salvo. As hundreds of thousands of jobs were destroyed by the Big Three, the UAW found new income streams through corporatist joint management programs, as well as repeatedly raiding the union's nearly billion-dollar strike fund.

The UAW officially adopted the policy of corporatism in the early 1980s, repudiating openly any conception of class struggle and preaching the identity of the interests of autoworkers with those of their exploiters. On this basis, the union abandoned its previous role of pressuring the companies for concessions to the workers and adopted the policy of pressuring the workers to make concessions to the companies. The UAW thus attempted to convince the auto magnates that they could make as much profit by keeping production within the US as they could by moving production abroad. Hence the ferocious anti-Mexican, anti-Japanese, anti-foreigner chauvinism promoted by the UAW.

As opposition to these betrayals grew, a section of regional and local officials formed the New Directions faction in the 1980s, which said it was against concessions and labor-management collaboration. On every decisive question, however, the would-be reformers shared the pro-capitalist and nationalist outlook of the Administrative Caucus and supported the political subordination of the working class to the Democratic Party. Because of this, the New Directions reformers were incapable of opposing the relentless assault on jobs and living standards, and many of them were incorporated into the Solidarity House bureaucracy.

Decades of UAW collusion with the corporations have produced a 40-year decline in workers' living standards, not just in the auto industry, but at companies such as Deere, Caterpillar and others, while the assets of the UAW have grown to over \$1 billion. There are now more than 450 functionaries on its payroll making over \$100,000 a year.

The situation today and the fight for rank-and-file committees

The Biden administration and the Democratic Party, along with their upper-middle-class supporters in the Democratic Socialists of America (DSA), are engaged in a concerted effort to shore up the flagging credibility of the trade unions.

Biden took the extraordinary step of personally endorsing the unionization drive at Amazon's Bessemer, Alabama, facility by the Retail, Wholesale and Department Store Union (RDWSU) earlier this year, which nonetheless failed to garner any significant support among the workers. In April, Biden issued an executive order establishing a pro-union task force, led by top military and financial cabinet members.

Facing a growing upsurge of the class struggle and an ever-more

intractable political crisis, the Democrats, and even sections of the Republican Party, are attempting to bolster the authority of the unions, not because they defend the interests of workers. On the contrary, it is because the union bureaucracies have universally proven themselves reliable tools of the corporations over the last 40 years—suppressing strikes, forcing through concessions, disciplining workers and enforcing "labor peace"—that they are now being promoted with new enthusiasm by the political representatives of big business.

Biden is also looking to the UAW and other unions—and they are enthusiastically responding—to intensify trade war and ultimately military confrontation with China over the domination of electric vehicles and other markets.

In the final analysis, the lack of democracy in the unions is a reflection of unprecedented levels of social inequality and the increasingly hollow character of so-called democracy under capitalism. The ruling class allows no genuine expression of the democratic will of the working class, including to save lives during the pandemic, as this would interfere with and challenge its monopoly of wealth and political power. In the same way, the trade union bureaucracy, whose material interests depend on serving the ruling class, cannot brook any serious expression of the democratic will of the workers.

Genuine workers' democracy will emerge only out of a struggle against all the defenders of the political and social status quo, whether the big business political parties or their loyal agents in the trade unions.

Practically and organizationally, this requires the formation of rank-and-file factory and workplace committees. Such committees, which have already begun to be initiated among Volvo workers, Dana workers, teachers, Amazon workers and others, will provide the framework for workers to democratically formulate demands, carry out a fight for them, and coordinate their struggles across industries and countries. In opposition to the nationalist poison continuously fomented by the unions and their corporate backers, the *WSWS Autoworker Newsletter* and the Socialist Equality Party are fighting for the international unity of workers, working to build an International Workers Alliance of Rank-and-File Committees.

Whereas the "unions" today proceed from management's rights and prerogatives, new organizations of the rank-and-file will proceed from what workers need to live, including a secure job, a living wage, fully funded pensions and health care, and more. The fight for real democracy in the workplace, including workers' democratic control of production, is the fight for socialism, which will enable the working class—not a handful of billionaires—to reap the benefits of the wealth it produces.



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