

Gene Sperling was a member of Obama's Auto Task Force

Biden appoints senior economic advisor as White House point man in UAW contract talks

Shannon Jones
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With the start of official negotiations between the United Auto Workers and the Big Three auto companies set to open within days, the Biden administration has appointed Gene Sperling, a top White House aide and long time Democratic Party operative, to coordinate the administration's intervention against 150,000 GM, Ford and Stellantis workers whose contracts expire on September 14.

The talks between UAW and auto executives, which begin on Thursday, are in no sense "negotiations" between two antagonistic parties. On the contrary, the UAW bureaucracy has already agreed to a new round of massive job cuts and concessions. The only things being negotiated are: 1) How to preserve the financial and institutional interests of the UAW bureaucracy during the transition to electric vehicles; and 2) How best to sell another pro-company deal to an increasingly restive workforce, which is determined to strike the tremendously profitable companies.

With the appointment of Sperling, the White House is putting an experienced corporate hatchetman in charge of its dealings with the UAW apparatus and the automakers. Biden's aim is to make sure there are no disruptions to plans to impose the costs of the transition to electric vehicles on the backs of workers. The White House sees a potential auto strike as a threat to its plans to expand its military offensive against Russia and China.

The auto companies, facing billions of dollars in development costs for EVs, are planning to cut tens of thousands of jobs and create a new lower-paid tier of workers in factories building electric batteries and other components. The auto companies see the 2023 contract as even more "transformational" than the 2009 bankruptcy restructurings of GM and Chrysler and are not prepared to make the slightest concessions to workers.

Biden is clearly concerned over the ability of the newly installed UAW leadership, headed by longtime bureaucrat Shawn Fain, to control rank-and-file autoworkers who are determined to win inflation-busting raises and recoup decades of UAW-backed concessions.

Sperling, who by one report has a net worth of \$50 million, has established a track record as an enforcer of austerity for workers. His specialty has been providing a certain reformist fig leaf to reactionary

measures aimed at impoverishing workers and enriching corporations. He was director of the National Economic Council under both Presidents Clinton and Obama and a member of the Auto Task Force that oversaw the slashing of the pay of autoworkers, the elimination of cost-of-living raises and pensions and a huge expansion of temporary and part-time work.

Under Clinton, he was principal negotiator of the 1997 bipartisan Balanced Budget Act, which slashed federal spending by imposing regressive changes, including cuts to Medicare and Medicaid reimbursements. In 2013, Sperling was appointed head of Obama's Detroit "rescue" task force during the bankruptcy that oversaw the slashing of the pensions of city retirees and the fire sale of city assets, including handing off the priceless collection at the Detroit Institute of Arts to a private foundation.

In 2021, Biden appointed Sperling to oversee the \$1.9 trillion coronavirus relief plan. While touted as a significant measure of social reform, the bill was a short-term stimulus aimed at preventing a social explosion amid the forced reopening of the economy and the multi-trillion CARES Act handout to Wall Street and corporate America.

Sperling's services have not come cheaply. In 2009, the *Financial Times* reported that Sperling was paid \$888,000 by Goldman Sachs and \$158,000 for speeches to companies, including the Stanford Group, headed at the time by Allen Stanford. In 2012, Stanford was convicted for operating an \$8 billion Ponzi scheme and sentenced to a 110-year federal prison sentence.

The auto contract talks take place with militancy growing among workers in the US and internationally. This is underscored by the breakdown of negotiations between the Teamsters and United Parcel Service and the walkout by dockworkers in Vancouver, Canada, under conditions where US West Coast longshoremen have been working without a contract for one year. Biden recently sent acting Labor Secretary Julie Su to intervene in the Canadian strike before it sparks a broader movement by port workers in the US. Su was also sent to help cobble together a tentative agreement between the International Longshore and Warehouse Union (ILWU) and the US Pacific port operators last month, amid a growing number of wildcat strikes. Details of the deal have still not been released.

The UAW bureaucracy is widely hated by rank-and-file workers. In 2015, workers at Fiat Chrysler, now Stellantis, voted down a national auto contract for the first time in decades. A second, similar deal was

only rammed through by a campaign of threats and intimidation overseen by UAW bureaucrats, including UAW President Dennis Williams and Vice President Norwood Jewell, who would later be jailed for embezzling workers' dues money and taking bribes from FCA management.

In 2019, the UAW sold out the 40-day strike by 48,000 GM workers, opening the way for the closure of the Lordstown, Ohio, assembly plant and other factories, and a further expansion of low-paid temporary labor. Shortly afterward, then-President Gary Jones was forced to resign amid a federal investigation into the embezzlement of \$1.5 million in dues money.

There is little doubt that the Obama administration, including Sperling, were fully aware of the gross corruption of the UAW bureaucracy when the Auto Task Force engineered the 2009 bankruptcy deal, which handed over billions in GM and Chrysler corporate shares to Solidarity House in exchange for the massive concessions. It was only after the rank-and-file revolt of 2015, however, that the federal government initiated its investigation into UAW corruption and its eventual campaign to "clean up" the UAW.

The first ever direct elections for UAW officers in 2022–23, mandated by a court appointed monitor to provide the union apparatus a facelift, were tainted by irregularities. The UAW took no measures to make workers aware of the election or update mailing lists, so as a consequence a large proportion of the membership did not receive ballots or even know there was an election. As a result, turnout was an abysmal 9 percent. Despite this, socialist rank-and-file autoworker Will Lehman from Mack Trucks won nearly 5,000 votes.

US and Canadian autoworkers, whose contracts both expire in September, face a historic showdown with the auto companies, as well as the Biden and Trudeau governments.

Workers are in a determined mood. "They're stockpiling vehicles in case we strike," a young temporary part-time worker at the Stellantis Warren Truck plant in suburban Detroit told the *World Socialist Web Site*. "They've got us on critical status, so they can work us seven days a week for up to 12 hours. The company expects us to eat, breathe and live Warren Truck. But we have lives outside the plant. It's reckless and intentional: they want us to think we're under their thumbs, under their control. It's immoral the union lets them get away with it. We have to stick together and fight for our human rights."

Another Warren Truck worker added, "Conditions are a nightmare, and this critical status is upending our whole lives. They're got us working overtime so the dealers' lots won't be empty if we strike. No one trusts the UAW. The Clarios workers got shafted. When I was a kid, I walked the picket lines with my dad and my uncle. Today, the UAW is completely watered down. People, the workers during the Flint sit-down strike, had to fight and die for the eight-hour day. Now we're working 10, 12 hours a day. We have to stand up because we're not going to give up anything more."

Autoworkers suffered a steep decline in real wages over the four years of the last contract, which only included two annual 3 percent rates and two 4 percent bonuses, even as inflation rose above 9 percent.

Nevertheless, auto companies and the Wall Street investors behind them have no intention of giving up anything to workers, including restoring cost-of-living adjustments (COLA) that were taken in 2009. According to the *Detroit News*, "[I]t's likely that the automakers will put up a fight over COLA because of reluctance to introduce another structural cost at a time when investors are looking for leaner operations to support the costly transition to electric vehicles. The

focus on cost-cutting was highlighted most recently by Ford's move last week to cut salaried jobs in the United States and Canada.

Auto equity analysts with Bank of America consider the prospect so unlikely that they did not include COLA in a recent forecast in which they estimated a 25 to 30 percent increase in labor costs for the Detroit automakers over the four years of the new contracts with the UAW. "That's a no-go... the automakers won't do it," John Murphy, managing director and lead US auto analyst in equity research at Bank of America, told the *News*.

With the sentiment for an all-out strike spreading through the factories, Fain will reportedly skip the traditional handshakes with the corporate bosses when talks begin with Stellantis on Thursday. "The members come first," Fain said Monday in a statement. "I'll shake hands with the CEOs when they come to the table with a deal that reflects the needs of the workers who make this industry run."

This is nothing but empty grandstanding. Behind the scenes, the UAW apparatus, the corporations and the Biden administration are all conspiring to beat back the militancy of autoworkers and impose the demands of big business.

The appointment of Sperling again makes clear that any strategy based on pressuring the corporations or the Biden administration is futile. As the Autoworkers Rank-and-File Committee Network said in its statement, "Autoworkers will win this fight, not through appeals to company executives and big business politicians, but by means of *hard and uncompromising class struggle*. The allies of workers are not in the corporate boardrooms or the halls of Congress, but rather among the millions of workers across the US and in other countries who are similarly looking to fight corporate exploitation, including the 350,000 UPS workers whose contract expires at the end of July."

Workers must fight to take power and decision-making out of the hands of the UAW apparatus and transfer it to the workers on the shop floor by expanding the network of rank-and-file committees. At the same time, US workers must turn to their brothers and sisters around the US, Canada, Mexico and globally. The International Alliance of Rank-And-File Committees is organizing and coordinating this struggle.

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