

Capitalist oligarchy, the UAW and the class struggle

Socialist Equality Party
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On the eve of the United Auto Workers Constitutional Convention, American capitalism has minted its first trillionaire. On Friday, June 12, the fortune of Elon Musk crossed one trillion dollars with the record stock market debut of his company, SpaceX.

The United States is about to celebrate the 250th anniversary of the publication on July 4, 1776 of the Declaration of Independence. The obscene concentration of wealth in one man, on a scale unimaginable in world history, makes a mockery of Jefferson's claim that "all men are created equal."

The size of Musk's fortune virtually defies comprehension. One trillion is a thousand billions or a million millions. If a trillion dollar bills were laid end to end, they would extend out to approximately 96 million miles, greater than the distance between the Earth and the Sun. Measured in the wages of an autoworker, a trillion dollars is the equivalent of 20 million years of work.

Musk's wealth is only the most grotesque example of the plundering of society by a capitalist oligarchy. He is the first trillionaire. It will not be long before other present-day mega-billionaires join the trillion-dollar club.

It should hardly be necessary to argue that the present level of wealth concentration is a sign of a deeply diseased economic system and dysfunctional society. The level of social inequality that prevails within the United States is incompatible with democracy. The Trump regime is nothing other than the political expression of the oligarchy's drive to secure its wealth through the creation of a fascistic police state dictatorship.

What has this to do with the opening of the UAW's Constitutional Convention? In one word, everything. It is impossible to understand the explosion of social inequality in the United States without examining the role played by the United Auto Workers over the past half-century.

The bureaucrats in Solidarity House adopted policies whose primary aim was the suppression of all working class resistance to capitalist exploitation and the corporate drive for profits. Without decades of sell-outs, the virtual outlawing of strikes, the imposition of concessions contracts, wage cutting, the slashing of benefits, the elimination of the 40-hour week, massive increases in productivity, and the resulting collapse of working class living standards, the oligarchic accumulation of

wealth would not have been possible.

The events of 1979 marked a decisive turning point. With Chrysler near bankruptcy, UAW President Douglas Fraser agreed to unprecedented concessions and, in 1980, was rewarded with a seat on Chrysler's board of directors—the first time a union president sat on the board of a major American corporation. By 1982, the UAW had handed Chrysler \$1.1 billion in givebacks, tens of thousands of jobs had been destroyed, nearly 30 plants had closed and the same model was being imposed at Ford and GM.

In a series of contracts in the 1980s, the UAW embraced the program of corporatism: the assertion of an identity of interests between labor and management. In practice, this meant the unlimited collaboration of union bureaucrats, executives and the state against the workers. The apparatus was increasingly sustained by joint "training center" funds funneled directly from the companies, the material foundation of the corruption that later sent more than a dozen top UAW officials to prison.

The UAW was not alone. In 1981, when Reagan fired 11,000 striking PATCO air traffic controllers, the AFL-CIO refused to lift a finger in their defense, isolating the strike and allowing it to be crushed. That betrayal signaled the start of a corporate offensive that swept through steel, meatpacking, mining and auto, with the union bureaucracy responding to each assault with concessions in the name of "saving jobs."

Parallel processes were taking place in the world economy, above all, the globalization of production and the breakdown of the nationally regulated framework of the postwar boom. Confronted with capitalist globalization, the pro-capitalist and nationalist bureaucracy rejected any international strategy of working class struggle and integrated itself ever more directly into corporate management and the state.

The consequences for workers have been devastating. UAW membership has fallen from 1.5 million at the end of the 1970s to roughly 370,000 today. Autoworkers make up only half of this total, as the UAW has recruited dues-paying members in other sectors, particularly at the universities. These workers, as Harvard academic workers just discovered, are subject to the same betrayals and anti-democratic maneuvers as the autoworkers.

The 2009 Obama bankruptcies of GM and Chrysler, carried

out with the union's full collaboration, halved wages for new hires and entrenched the two-tier system. The apparatus oversaw the spinning off of the parts operations, Delphi from GM and Visteon from Ford, into a lower-paid parts sector.

Over the same decades, productivity soared while wages stagnated or fell. The real top assembly wage is roughly where it stood in 1978, and average real wages in auto fell by more than 19 percent between 2008 and 2023 alone. Pensions were stripped from new hires, retiree healthcare shifted into union-controlled VEBA (Voluntary Employees' Beneficiary Association) trusts and labor costs driven down to a tiny fraction of the price of a vehicle.

The collapse in membership and workers' living standards has not weakened the material position of the apparatus. On the contrary, the UAW controls \$1.25 billion in assets. Top executives, including UAW International President Shawn Fain, make more than a quarter million dollars a year. The income, perks and institutional position of the apparatus depend on the suppression of class struggle and the preservation of its partnership with the corporations.

It is, therefore, not a matter of reforming the apparatus. Three years of the Fain administration have demonstrated this, if nothing else. The 2023 "stand-up strike" was designed to keep workers on the job, and the contracts that were rammed through paved the way for mass layoffs.

On the eve of the convention, the apparatus rushed out a tentative agreement to shut down the 10-day strike by 1,000 American Axle workers after coordinating overtime beforehand so the company could stockpile parts. In Saginaw, Nexteer workers have rejected three UAW-backed contracts and voted by 86 percent to strike, while Dana workers in several states have rejected UAW-backed deals by 90 percent or more.

Fain, moreover, owes his office not to the workers but to an apparatus that suppressed their vote. The 2022–23 direct election, forced on the union by the government, was a fraud: Fewer than 10 percent of members voted, and Fain won by only a few hundred ballots.

Socialist rank-and-file candidate and Mack Trucks worker Will Lehman documented this systematic disenfranchisement and is now calling on delegates to nominate him from the convention floor.

Lehman's campaign is the practical expression of the alternative the working class requires, raising directly: Will the working class continue to be shackled to an apparatus that delivers its wealth to Musk and the oligarchy, or will it take the path of independent mobilization?

Among the delegates at the convention, there are some who are not merely seeking positions within the apparatus. They should take the initiative and secure the nomination of Lehman, defying the efforts of Fain and the apparatus to turn the proceedings into a coronation of their own bankrupt policies.

As Lehman has stated in his campaign, however, the way forward is not through the apparatus but through its abolition

and the restoration of power to the shop floor through the development of rank-and-file committees in every workplace. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) encourages the development of such committees in every workplace, independent of the union apparatus and both capitalist parties, coordinated across plants, industries and borders.

These committees must become citadels of working class organization and struggle, fighting for workers' control over line speed, production standards, hiring and safety, with the power to halt production whenever lives are endangered. No worker should ever again die as Antonio Gaston, Ronald Adams Sr. and Gregory Knopf died—crushed in plants amid speed-ups and retoolings the union had approved.

This raises the need for the nationalization of the auto corporations and the major industries under the democratic control of the working class, so that production is organized to meet social need, not private profit.

This struggle is international in its very essence. The growth of the class struggle in the United States is one part of a movement erupting on every continent, as workers across the world confront the same escalating war, the same turn to dictatorship, the same capitalist crisis. The auto and auto parts giants operate as global enterprises, whipsawing the workers of one country against another to drive down wages everywhere. They can be answered only through the international unity of the working class, coordinated across every border.

The dictatorship of the oligarchs—of which Musk's trillion-dollar fortune is the most blatant expression—will not be ended by tinkering around the edges. It can be ended only through the fundamental reorganization of society: the wresting of economic life from the hands of the financial aristocracy and its refounding on the basis of social need and genuine equality.

This is the perspective of socialism. Its realization demands the conscious revival of the great revolutionary and socialist traditions of the American and international working class—traditions the bureaucracy has labored for generations to bury. We call on every autoworker, and every worker, to take up this fight: Build the rank-and-file committees, and join the struggle for a socialist future.



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