

One month before the expiration of auto contracts

US autoworkers on collision course with the companies

15 August 2019

A battle is looming. At midnight on September 14, one month from now, the four-year labor agreements covering 155,000 General Motors, Ford and Fiat Chrysler workers in the United States will expire.

Autoworkers are determined to fight. They have endured decades of falling wages and attacks on benefits, which escalated following the 2008 crisis and the restructuring of the auto industry under Obama. The assault on workers has produced record profits for the auto companies and Wall Street investors.

The auto companies are determined to make US autoworkers bear the brunt of a new restructuring of the global auto industry that has already eliminated tens of thousands of jobs around the world. Amid growing signs of recession, the companies are intensifying their attacks on jobs, wages and working conditions. They are out to reduce workers to the status of contingent laborers totally at the mercy of the employers.

They have no intention of bowing to the demands of the workers. Instead, they intend to use the downturn to blackmail workers into accepting even more brutal concessions. GM reportedly wants temporary workers to make up half of its US factory workforce, while Ford wants to gut supposed “gold-plated” health benefits and end what *Forbes* calls the “last vestige of the quasi-socialism that dominated the US auto industry for 100 years.”

The conflict, however, is not between the companies and the United Auto Workers. That pro-company organization is mired in a corruption scandal that has sent top officials to jail for taking bribes from Chrysler to push through the sellout contract in 2015.

The battle is between autoworkers in the US and internationally on the one side and the transnational corporations and their corporatist “trade unions” on the other.

The so-called negotiations are a scam. As far as the UAW and the companies are concerned, the contracts have already been settled. The official talks are a front for a conspiracy to

force the workers to accept what the companies and the unions have already agreed to.

On Wednesday, the *Detroit Free Press* reported that the UAW will likely pick Ford as the “target company” in the negotiations. “Target company,” like so many other terms, is a misnomer. It is not the company that is being “targeted,” but the workers. An agreement with Ford, with which the UAW has had the closest ties of any of the US-based automakers, will be used to target workers at GM and Fiat Chrysler.

Autoworkers want to fight, but the issue is: On what strategy will the struggle be based?

First, workers must seize the initiative by forming rank-and-file committees, independent of the UAW. Autoworkers know that the UAW is a cheap labor contractor and police force for the bosses. The corruption scandal is not, as the union claims, a case of a few “rotten apples.” Rotten apples are produced by a rotten tree, and the UAW is rotten to the core.

Following the sentencing of former UAW-Chrysler Vice President Norwood Jewell, federal prosecutors have charged former UAW official Mike Grimes, longtime top aide to UAW Vice President Cindy Estrada. According to the *Detroit News*, Grimes accepted \$1.99 million in kickbacks from vendors paid by the UAW-GM Human Resource Center. Prosecutors have also charged unnamed “Union Official 1” with demanding a \$250,000 kickback.

Rank-and-file factory committees of autoworkers in every workplace should formulate their own demands—including a 40 percent pay increase, the abolition of the multi-tier pay and benefit system, the conversion of all temporary and contract workers to full-time positions with full pay and benefits, and the rehiring of all laid-off workers.

Preparations must be made for a national strike of all autoworkers and parts workers, whether they are “represented” by the UAW or not. Workers must be on guard against the union calling an isolated strike to let off steam, wear them down and force through concessions.

Second, workers require an international strategy and organization. The bankruptcy of the UAW is not simply due to the personal corruption of union executives, of which there is plenty. It is rooted in the bankrupt program of economic nationalism on which the UAW and all the unions around the world are based.

The Detroit-based automakers are no longer the “Big Three” industrial icons of American capitalism. GM, Ford and Fiat Chrysler have been integrated into a complex global organization involving alliances with other transnational corporations. The financial markets are pressing for a new wave of mega-mergers, including VW-Ford and Fiat Chrysler-Renault.

They want to lower labor costs to position themselves for the ferocious struggle to master the new electric, autonomous and ride-sharing technologies and gain control of the new markets opening up.

In the last nine months alone, the global automakers have carried out a jobs massacre, eliminating nearly half a million workers in China and India. They see the transition to electric motors, which require fewer man-hours to produce than internal combustion engines, as an opportunity to slash the jobs of 100,000 powertrain workers in the US and Germany alone, and shift more production to low-cost contractors.

The automakers have an international strategy. Autoworkers need an international strategy of their own.

The global auto industry employs between eight and nine million assembly and auto parts workers, not to mention the millions more who extract and process the raw materials and design, engineer, sell and service the vehicles. There is no such thing as an “American car,” any more than a “Chinese” one. Vehicles are the product of a global division of labor in a global car industry. If the industry were a separate economy, it would be the sixth largest in the world.

Serious struggles today must be internationally coordinated. The international character of the struggle has already been seen in the recent wave of auto strikes, including in Romania, the Czech Republic, Turkey, India, Brazil, South Korea, Canada and Mexico. In Mexico, striking *maquiladora* sweatshop workers marched to the US border to call on their American sisters and brothers to join their fight.

The massive fall in stock prices on Wednesday was a response to the signs of economic crisis combined with terror within the ruling class over the eruption of social protests internationally, most recently in Hong Kong and Puerto Rico.

A fight against the assault on autoworkers requires a rejection of the nationalist poison peddled by the unions, President Trump and the Democrats to divide the working

class. The strength of the working class lies in its international unity.

Third, in this struggle workers are confronting the entire capitalist profit system, which impoverishes masses of people around the world in order to enrich the corporate and financial oligarchy. Autoworkers should ask themselves: Why is it that the introduction of new technologies—including robotics, artificial intelligence and global telecommunications—results not in an increase in their living standards, but in their further impoverishment?

The answer lies in the nature of the capitalist system, which is based on the accumulation of private profit, not the satisfaction of human needs. The global auto industry must be transformed into a public utility, collectively owned and democratically controlled by the working class.

Whatever their differences, the Democrats and Republicans in the US, and their counterparts internationally, are absolutely united on one fundamental principle: defense of the capitalist system. Their response to the crisis of capitalism is the further impoverishment of the working class along with war and dictatorship. The working class must respond with its own strategy—that of socialist revolution.

A battle is looming, and autoworkers have powerful allies—the millions of autoworkers and the billions of workers throughout the world who have begun to fight back. The urgent task is the development of the organizations and political strategy to carry out this fight.

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