

On Obama's Chopping Block: It's The Turn of General Motors

The greatest single attack on American workers since the Great Depression

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The alarm bells should be ringing day and night about what's being prepared at General Motors — the ripple effects could produce tidal waves.

The Obama administration has made no secret about its plans for GM: the Chrysler bankruptcy was the “test case,” and now Obama's Wall Street buddies inside the Auto Task Force plan to replicate it. The vast implications of the Chrysler bankruptcy went unnoticed by the mainstream media, concerned as it was with the convenient hype provided by Swine Flu.

The real swine, however, are those preparing the greatest single attack on American workers since the Great Depression, the precedent of which will reverberate loudly through business-labor relations in the country — that is, if workers at GM and its parts suppliers don't put a stop to it.

Why was Chrysler so important? Most significant was the fact that workers were scared into accepting large wage and benefit reductions. They were told by the U.A.W. “leaders” that, unless workers conceded to accepting the wages and benefits of non-union workers, bankruptcy would be unavoidable. The workers conceded, and the very next day it was announced that the company was headed towards bankruptcy. It is unimaginable that Gettlefinger and the other U.A.W. leaders did not know this was coming, since they spend considerable time back-slapping with Obama.

This is but one of a long list of treacheries provided by a Gettlefinger-led U.A.W. and his obsession with making GM a better “global competitor.” Just as in 2007, autoworkers were scared into making drastic concessions to “save jobs,” and soon thereafter jobs were slashed by the thousands.

Now, the U.A.W.-owned healthcare fund called VEBA is likely to emerge as the majority share owner of Chrysler, a company whose stock is basically worthless and whose future is cloudy at best. And although the U.A.W. is the majority owner, they will have only one voice on the GM board, ensuring that they'll be entirely ignored.

Applying this type of “restructuring” to GM is hard to imagine. GM is a global conglomerate with factories and suppliers all over the world — a monster when compared to puny Chrysler. The new sell-out labor contract being negotiated between Gettlefinger and Obama on 5/21/09 has yet to be released to the public, though the results have already been leaked, and they would be crushing for GM workers, in a “...deal that would cut [GM's] labor

costs by more than \$1 billion a year and reduce its \$20 billion pledge to the United Auto Workers to cover health-care obligations [by ten billion]...” (Wall Street Journal, May 19, 2009).

Not only this, but 20,000 more GM jobs would be cut. Dealerships and suppliers all over the world would close as well, producing immediate job losses in the hundreds of thousands, and indirect job losses that are impossible to calculate.

Also, GM will likely be split into two companies: one that will build cars with cheap labor for the world marketplace and the other consisting of factories and machinery that will be sold for scrap metal. Instead of this tremendous productive power being used to create a much more rational mass transit system, the company is downsizing itself, laying off thousands of workers and filling landfills.

After all is said in done, the U.A.W. would have a 39 percent ownership stake in GM, giving Gettlefinger an ownership perspective, with a stake in forcing additional cuts on his members to increase share prices and keep the company competitive. Logic like this is unavoidable if one cannot look beyond the narrow horizons of the market economy, where one can only win on the world marketplace if they race fastest to the bottom.

What was Obama’s reaction to the incredible hardship his labor policy will inevitably produce on workers? This pain was entirely ignored, and instead, Obama attempted to smear a cheap “progressive” gloss over his right-wing labor policies by holding a press conference to gloat over the future of fuel efficient vehicles and electric cars.

Gettlefinger himself shamelessly attended the event, while he and some short-sighted environmentalists fawned over Obama’s every word. No mention was made how Americans would be able to afford these new fuel efficient cars.

And this is the crux of the matter: Obama’s autoworker precedent will encourage other companies to destroy union contracts via bankruptcy; the stage is being set for a colossal attack on the American working class. Already wage cuts are being implemented throughout the U.S., alongside massive unemployment — Obama’s technique is simply a way to hasten the process, so that the speed and scope of the recession is equally matched by reductions in wages and benefits.

The economic crisis has put corporations into “fight or flight” mode. In order for them to stay “viable” on the world market, they are slashing wages and benefits, led by Obama and the Wall Street insiders among his administration. It will take a U.A.W. rank and file upsurge to repel these attacks, aided by workers everywhere, since labor in general now faces incredible challenges. They could demand the nationalization of the auto industry so that workers would be bailed out, not the banks. Then these companies could be retooled in order to produce not only mass transit vehicles but an alternative energy infrastructure that could both save jobs and help save the planet from global warming.

Obama cannot be “pressured” into doing the right thing. He’s surrounded himself with people representing the big corporations and banks, entities that are intrinsically anti-worker. The Democratic Party must also be tossed aside, since their total silence on this most important of issues is one of utter complicity. Labor must now, more than ever, take an independent stance in defending their interests. The fate of the labor movement hangs in the balance.

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