

Live Bait & Ammo #95: A Practical Solution to an Urgent Need

GM/Delphi is the leading manufacturer in the fastest growing automobile market in the world — China. The rapid expansion is fueled by the marriage of cheap capital fleeced from US labor and cheap labor marshaled by a Chinese police state.

It was a marriage made in hell.

But a marriage made with the purist of motives: profit. When the leading Communist and Capitalist states decided to exceed Wall Street's expectations, all the walls came down. No expense —life, liberty, or reputation— was too great to impede the pursuit of profit.

At the height of America's dominance in the world economy GM made promises of lifetime benefits to workers, and the US government made monumental enemies of communists. The Red Scare worked like a stove match. Union officials routed the radicals from their ranks and bound labor's fate with apron strings and "no strike" clauses. In both events, war and treachery, victims were workers who died in combat or got the short stick on both sides of the Pacific.

What corporates call "restructuring" is simply a transfer of wealth from the working class to the investing class. Every concession we make subsidizes the transfer of assets. This isn't speculation, it's history repeated in one industry after another: steel, airlines, textiles, electronics. We are not only losing jobs, we are losing labor's accumulated wealth.

Bankruptcy in the US auto industry is not an accident, it's a business plan. The government does not appear to have an industrial policy, but the transfer of labor's legacy wealth to offshore accounts is the policy in practice.

Every kid on the American playground knows how it feels to be at the top of the teeter-totter when your partner finds a new friend.

When the economy crashes and the entire working class is impoverished we will understand the true "legacy cost". The legacy of treachery and deceit. The legacy of union/management partnership. The legacy of war after war after war. The

legacy of a government that stands down while corporations trash communities as surely as Hurricane Katrina trashed New Orleans.

The corporos declare that “legacy costs” curb investment, but they conveniently ignore the legacy profits that GM/Delphi invested in China, Mexico, Latin America, Canada, India, Korea, Russia, and Europe. Profit is our legacy, too. The destruction of America’s industrial base is not a random consequence of globalization, it’s an investment strategy.

The older generation may be able to preserve their retirement benefits in the short term, but the declining value of the dollar will degrade their standard of living as the trade imbalance teeters and war catapults our national debt over the star spangled horizon.

The VEBA won’t save America’s flagship industry or throw an inner tube around retirees when the cost of living rises faster than false hope dies. We don’t want VEBA, we want universal health care; not only for our own generation, but for our children and grandchildren.

The challenge we face is too big for piece meal fixes and private portions. Every time we cut a deal that deprives the next generation —as in two tier and VEBA and buy outs that close plants— we underwrite the corporos’ three act play: Isolate, Whipsaw, Liquidate.

If the UAW doesn’t demand the right to strike over outsourcing and plant closings, GM will accelerate its exit plan. If GM achieves two tier in this contract, they will bust the union in 2011. If the UAW permits GM to strand retirees with a buy down VEBA, you may as well continue working as long as you can still maneuver the walker and the oxygen tank through the turnstiles. CAT had a VEBA, too. It’s broke.

Autoworkers have an opportunity in 2007 to invoke the crisis that could provoke dramatic change in health and industrial policy. We can avoid the confrontation, but we can’t escape the consequence of cowardice. If we fail to act collectively, we’ll be picked off separately. Solidarity isn’t an ideal, it’s a practical solution to an urgent need.

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