

## No Time for Illusions

No, I didn't get it quite right. More than two years ago, I wrote:

Renault, like Peugeot-Citroen, received government bailout money from the French people under the condition that they would maintain employment: "The companies pledged in return to protect French jobs." The industry minister stressed, "The state will have its say. When a French car is destined to be sold in France, it should be made in France."

This is, of course, in sharp contrast to the US President, allegedly a progressive and friend of labor, whose policies dictated that US auto companies would close plants and lay off workers in exchange for bailout money.

The difference, quite clearly, is the militancy and class consciousness of labor. French unions, unlike their US counterparts, have consistently and without relent, refused class collaboration. ("The Class War: Where Things Stand," 2-14-2010)

Today, it is a bitter mockery that Peugeot announced two days before the French national holiday and only shortly after the Socialist Party sweep of French elections that the company would lay off 8,000 workers. At the bottom of a severe downturn, a virulently conservative president, Sarkozy, and his minions feared that the French labor movement and its friends would pounce if public bailout funds were offered to companies responding to the crisis with layoffs and plant closings.

Yet Peugeot now feels confident that it can close a plant and reduce employment at another plant even with a "socialist" government in power. Hollande, the new Socialist President of France pronounces the move "unacceptable;" the French unions are indignant.

What has changed in two years?

In the depths of the crisis, fear gripped Peugeot and most of the rest of the corporate world. The threat of devastated profitability or even insolvency brought them to their knees. Without generous help from outside, from the public trough, and with the public agreement to take on the risk of pending corporate failure, Peugeot and its corporate brethren might have collapsed.

But now the same corporate behemoths exploit the public debt incurred in their rescue. They recognize the vulnerability of the French government to the circling financial buzzards and pick this moment to shed workers, reduce costs, and increase profitability. They are gambling that French unions will place their fate in the hands of the new French government which will not have the resolve to thwart Peugeot's plans. I suspect they are right.

Surely, some must see a parallel with the Obama Presidential campaign and the accompanying Obama-mania that

gripped the US in 2008. Like the US electorate, French citizens were euphoric over the prospects of moving beyond an embarrassingly incompetent, right-wing vulgarian.

And like their US counterparts, many French voters invested unjustified hope in a candidate never demonstrating an ability to separate national interests from corporate interests. Once again voters cast aside reality for the thin promise of vague change.

Hollande, like Obama, devoted his first days to assuring business interests and European Union rulers that he had no intention to rock the boat too vigorously — even though the boat is sinking.

When the moment is opportune, French "Socialist" Party leaders, their SYRIZA counterparts in Greece, and social-democratic candidates throughout the world step up to offer voters an easy option: class partisanship with no class struggle.

Theirs is a make-believe world of advocacy, communication and compromise, a world where corporations and markets are resolutely tamed in parliamentary chambers through speeches and resolutions. Their history in this regard is hardly encouraging.

Just as European parliamentary elections have taken on more and more of the flavor of US two-party campaigns, the trajectory of European politics takes on more and more of that of the US. Thus, the Obama presidency offers a preview of what to expect from his European counterparts: a refreshed ruling class leadership offering more "progressive" style than substance.

After Obama's election in the US, the "movement" unleashed for change was quickly dismantled and the new administration asserted continuity with ruling class policies, but served up with better articulation and a friendlier face to liberals and labor. As for the campaign promises of peace, labor law reform, health care reform, tax fairness, etc, they were unfulfilled or compromised.

Europeans who choose the easy detour of social democracy will relive the experience of US workers over the last nearly four years of Democratic Party governance. Wages for production and non-supervisory workers in manufacturing, when adjusted for inflation, are down 3.2% from March of 2009.

At the same time, output per worker hour has exploded: where compensation has been essentially flat for the last nine years, output has grown by over 30%, rising most dramatically since 2009. For those of us still embracing the Marxist analytical tools, these facts signal a dramatic increase in the rate of exploitation under the watchful eyes of US social democrats and their liberal friends.

At the same time, wages for Mexican workers are rising. And in the Peoples' Republic of China, wages rose 5% in 2009, 16% in 2010, and 20% in 2011. Already in the first half of 2012 wages for urban households rose 13% against the same time frame last year.

So much credence for the myth of slave-labor conditions in China depressing US standards, a view so dear to backward labor leaders and media commentators. It should be transparently obvious that it is not the PRC government or Chinese workers who threaten US workers' living standards, but corporations and their own government who both associate worker sacrifice with economic recovery.

And pity US steelworkers. With non-farm productivity growth (growth of exploitation) off for the first quarter of 2012 and threatening profit growth, steel manufacturers are looking to squeeze workers even harder. ArcelorMittal, the world's largest steel producer is proposing to cut all wages and benefits by 36% and eliminate retiree health care for anyone hired after the expiration of the old United Steelworkers of America (USWA) contract on August 31.

According to the USWA, ArcelorMittal hopes to cut \$350 million per year from the labor costs incurred by 12,544 union workers, an amount that would transfer smoothly to share holders and top managers. While there is little indication of a plan to fight these moves, one of the USWA's lead negotiators was quoted by The Wall Street Journal: "We're very frustrated with the tone in negotiations."

With ArcelorMittel enjoying \$1.1 billion in profits in 2011, the union should be showing more militancy than a mere concern about the "tone" of negotiations. But don't look for the "friend of labor" US President to show even a word of sympathy for the workers' cause.

Nonetheless, he and his Democratic Party colleagues will readily welcome the money and support of the USWA.

Unlike their corporate counterparts, US unions insist on little in return.

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