

Week of  
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# THE SPARK



## **On the Edge of a New Crisis We Must Defend Ourselves!**

Only three years after the last financial crisis, the financial system is already mired in the beginning of a new one – worse than the last one.

In 2008, the biggest banks, buried under the speculation they let loose, practically stopped functioning. And when the banks froze up, trade and productive investment nearly ground to a halt.

Governments all over the world threw huge amounts of money at the banks. But the banks didn't use it to invest in production or get the economy going. No. They started speculating again.

Today, they are speculating on the public debts of some of the governments that had loaned them money. The crisis in Europe was caused by the banks driving up interest rates on public debt. That crisis will spread to the U.S., just like the mortgage crisis spread from the U.S. to Europe.

Today, those big banks are demanding that governments push down living standards of people around the world in order to pay off public debt.

The main problem facing working people is NOT how to repay this government debt. Our main problem is how to protect ourselves from unemployment and rising prices.

To fight unemployment, the working class can depend only on its own collective, organized action. Refuse to accept any more layoffs! Confront the bosses, demand that the work be spread out among everyone, without a loss in pay for anyone!

Today, the capitalist class is once again resorting to inflation to drive down the standard of living of working people. It's an old trick the capitalists have often used.

But workers can prevent price increases from lowering their purchasing power. Force the bosses to accept automatic increases in wages and pensions tied directly to the rise in prices!

The capitalist class today is driving its own system into chaos and collapse. The working class cannot prevent the capitalists from destroying the economy. But we can protect our own basic interests – our jobs and our wages – by our own organized activity.

## **GM Contract – Roadmap to Poverty**

The contract worked out by UAW leaders and GM bosses would push auto workers further down the road to poverty. And it would squeeze the standard of living of the whole working class.

For four more years, the wages of “first-tier” auto workers would be frozen. No wage increase. No cost of living increase. They have already lost 20% of their wages to inflation since 2003. And inflation will be higher in the next four years.

The wages of “second-tier” workers would remain so low that a family of four would qualify for food stamps. A family of six couldn't get above the government's poverty line on two-tier wages.

The promised jobs are little more than a battering ram for lowering wages still further. The jobs will come in at “2-tier” wages, or even a third tier, to be set up AFTER the contract is ratified.

For four more years, workers already retired would get no inflation adjustment to their pensions – after going 11 years with frozen pensions.

Skilled trades workers are to be crunched into “handyman” teams, working each other's trade. Some of their work is to be handed off to production workers or contracted out. Skilled and production workers will do work they aren't trained for. Everyone will be pushed to work harder. It's a recipe for more deaths and injuries.

So what now?

Auto workers once fought for wages and benefits that set a standard for the whole working class. What they got, other workers fought to get afterwards. Through their struggles, the auto workers helped pull everyone up.

But when auto workers began to accept concessions several decades ago, that helped start a race to the bottom.

Ford workers stepped out of the race downward in 2009 when they refused new concessions.

There is no other way – either refuse when the bosses push to lower your standard of living, or see yourself end up in poverty. That's true for Ford workers again this year – and for GM and Chrysler workers too. It's true for teachers, state workers, city workers – for the whole working class.