

Stop the carve-up of Chrysler! For workers' control and public ownership of the auto industry!

By the Editorial Board
15 March 2007

The destruction of 13,000 Chrysler jobs in the US and Canada and threatened sell-off of the 82-year-old auto company is the latest in a series of attacks on the jobs and living standards of autoworkers in the US and internationally.

The plant closings and mass layoffs mean thousands of workers and their families will be deprived of their incomes and lose healthcare coverage and retirement benefits. Cities like Detroit, St. Louis, Newark, Delaware and Windsor, Ontario—already hit by years of industrial decline—will be further devastated as businesses dependent on Chrysler close their doors and schools and other public services lose millions in tax revenues.

This social catastrophe, which follows the destruction of nearly 100,000 North American jobs last year by GM, Ford and the parts supplier Delphi, is an indictment of the entire capitalist profit system. It cannot provide the most basic needs of working people, whose labor creates society's wealth.

Chrysler workers are not responsible for the corporate decisions that produced this disaster. Yet they pay the cost in lost homes and broken families, while the corporate CEOs and big investors who drove the company into the ground walk away with millions, if not billions, from the downsizing and carve-up of the company.

Wall Street investment house JPMorgan Chase is already circulating a prospectus to potential buyers interested in grabbing Chrysler's most valuable assets. In addition to US and international auto companies, possible buyers include several private equity firms—some headed by former Chrysler bosses—which would likely dump the company's healthcare and pension obligations and slash wages before reselling it at an enormous markup.

What kind of a democracy is it that allows the fate of millions of people to be decided by a handful of CEOs and bankers who are interested only in increasing the value of their financial portfolios? The broad mass of the people have absolutely no say in decisions that shatter their lives.

Chrysler workers should say "no" to the mass layoffs and plant closures, and reject the management-union plan to smooth the way with derisory buyouts. A united struggle must be mounted by workers in the US and Canada to stop the dismantling of the company and defend the right to a decent-paying and secure job.

For workers' committees to lead the fight

Committees of hourly and salaried workers should be organized—independently of the company stooge organizations, the United Auto Workers and Canadian Auto Workers unions—to organize strikes, plant occupations, mass meetings and demonstrations as part of a broad campaign to win the support of

all working and young people in the communities being targeted for plant closures and layoffs, and rally the working class across North America and internationally.

The only answer to the destruction of Chrysler is to transform it and the entire auto industry into a public enterprise, democratically controlled by autoworkers and the working population as a whole.

Chrysler workers have intricate knowledge of the company's operations and, with the assistance of trained engineers and other professionals devoted to the common good, could run Chrysler far more efficiently than the bosses. Workers should reject the argument that the capitalist class has a sacred "right" to control the industrial and financial resources of modern mass society.

Chrysler's owners have forfeited any right to direct the company. For years they sacrificed the company's long-term health to maximize the short-term gains going to top executives and big investors. They undermined the future viability of the company by focusing on gas-guzzling vehicles that generated bigger profits per unit. Without a full and public accounting, it is impossible to know how much money was squandered as a result of the incompetence, greed and ignorance of the bosses. And this goes not only for the auto companies, but for every sector of the economy, where corporate executives routinely reward themselves with multimillion-dollar salaries—a form of social plunder defended by the media as the necessary price for attracting the "best and the brightest!"

For industrial democracy and workers' control

The first step to protect the interests of working people is to institute democratic control over all business decisions affecting work, safety, salaries, hiring and hours. These decisions should be made not by the wealthy few, but rather by committees of factory floor workers, technicians and other experts committed to the interests of working people.

The establishment of industrial democracy requires the opening of the books of all corporations for inspection by the workers, and the ratification of corporate leadership by a democratic vote of all employees.

The global auto industry demonstrates the anarchic and irrational character of the capitalist profit system. The vast increases in the productivity of labor—driven by advances in science and technology such as robotics, computerization, satellite communications—and the global integration of auto manufacturing should make it easier to guarantee a good living standard to the millions of workers producing automobiles.

Instead, these advances have contributed to a glut on world auto markets, which is worsened by the fact that the vast majority of the world's population is too poor to own a car. In order to defeat their competitors and grab the biggest share of profits, the global auto giants have embarked on a ruthless drive to lower

labor costs by shutting plants, eliminating jobs, speeding up the assembly lines and moving production to low-wage regions.

A recent study by the auto analyst firm Harbour-Felax complained that healthcare benefits and supplemental unemployment benefits, along with “restrictive work rules, assembly line relief time, uncontrolled absenteeism and the level of vacations and paid days off,” were contributing to an average \$2,400-per-vehicle profit disadvantage for US auto companies compared to Japanese firms operating nonunion plants in America.

GM and Ford have made it clear they will use the threat of further plant closings and mass layoffs to impose unprecedented attacks in the upcoming national contracts, including a possible 20 percent wage reduction, sweeping cuts in healthcare and retirement benefits, and an end to any form of income security for laid-off workers.

Tens of thousands of older workers being pushed out of the industry will be replaced with young workers who are paid a fraction of the wages, lack any shop-floor protection and face the constant threat of termination. This goes not only for assembly line workers, but also for engineers, designers, managers and other white-collar workers.

Low profit margins have long made the US auto industry an unattractive option for big investors. That is why Wall Street is demanding a thorough restructuring of the industry to lift it to an “investment grade” profit level of 10-15 percent, i.e., some four to six times the current average!

Break with the Democrats

The fight to defend jobs is not only a struggle against one employer, but rather a political struggle against the whole economic and political set-up in the US.

The Democratic Party, which pretends to be a party of the working man, has not even issued a verbal protest against the attack on Chrysler workers. Not a single leading Democratic contender for the 2008 presidential nomination—Hillary Clinton, Barack Obama, John Edwards—has proposed anything to defend the jobs and livelihoods of workers and their families.

Jennifer Granholm, the Democratic governor of Michigan—which is home to 26,000 Chrysler workers—called the job losses unfortunate but “market-driven.” Insofar as they say anything, the Democrats echo the reactionary chauvinism of the United Auto Workers (UAW) bureaucracy and suggest that workers at Asian and European-owned auto companies are “stealing US jobs.”

Workers must reject this nationalist poison, which is aimed at dividing and weakening the working class and pitting workers against each other in a race to the bottom. In every country, working people confront an attack by globally organized corporations. They must respond by organizing their resistance on an international scale and on a principled basis of defending the jobs and wages of all workers, regardless of their nationality.

This means adopting a socialist policy which puts the jobs and living standards of workers around the world before the profits and personal fortunes of the financial elites, attacks the massive concentration of wealth at the top by replacing private ownership

of the means of production with social ownership, and ends the anarchy of the market by instituting rational economic planning.

Such a struggle requires a complete and irrevocable break with the Democratic Party and the construction of a mass socialist party.

The bankruptcy of the unions

United Auto Workers President Ron Gettelfinger—who sits on DaimlerChrysler’s supervisory board—has made it clear that the UAW will do nothing to defend the jobs of autoworkers. It is offering its services in facilitating the exodus of thousands more workers, just as it has done for the past three decades at all of the Big Three US auto companies.

The UAW’s policy of labor-management collaboration began in earnest when Chrysler faced bankruptcy in 1979-80. The union rejected any struggle against the company’s wage-cutting demands and told workers that concessions were the only way to restore the company to profitability and secure their futures.

Chrysler Chairman Lee Iacocca placed UAW President Douglas Fraser on the company’s board of directors, where Fraser helped impose a total of \$1.1 billion in concessions—nearly \$10,000 per worker—and eliminate 65,000 jobs over the next several years.

The claim that workers could save their jobs through concessions has proven to be a massive lie. The only ones who have benefited from this policy are the corporate executives, the big investors and the UAW bureaucrats themselves.

By the end of this year, there will be only 46,000 UAW members left at Chrysler; down from 110,000 in 1979. All told, the number of unionized workers employed at Big Three plants in the US will have fallen by a staggering 76 percent since 1979—from 750,000 to 177,000.

The UAW has already told its members to “expect sacrifices” in the upcoming national contracts and signed scores of local “Modern Operating Agreements” that tear up long-standing job protections, allow management to replace UAW members with outside workers at half the wages, and recruit UAW “team leaders” to impose speedup and disciplinary measures against their fellow workers.

In return, the UAW bureaucracy expects to be rewarded with further perks. The *Wall Street Journal* recently reported that the auto companies are considering turning over control of their multibillion-dollar pension funds to the union. This would provide a massive income stream to the UAW bureaucracy, which, in turn, would be responsible for cutting the benefits of one million retirees and their dependents.

A struggle to defend jobs can be conducted only if it is waged independently of the pro-company UAW. New organizations of struggle must be built—ones that are genuinely democratic and devoted to the interests of the workers. Above all, autoworkers must consciously turn to a political struggle for the building of a mass, independent party of the working class. This is the perspective of the Socialist Equality Party.

We appeal to all Chrysler workers and those who support their struggle to discuss this perspective and to contact the *World Socialist Web Site* editorial board.