

Ohio Delphi workers denounce company plan to halve wages and slash jobs

A WSWS reporting team
15 October 2005

The bankruptcy filing of Delphi Automotive has set the stage for a historic rollback in the wages of American auto workers to levels, in real terms, not seen since the explosive struggles of the 1930s that gave birth to the industrial unions in auto and other basic industries. Delphi, the world's largest auto parts company, which was spun off from General Motors in 1999, filed for Chapter 11 bankruptcy protection a week ago, after demanding that the United Auto Workers union accept wage cuts of up to 60 percent, along with massive job cuts and brutal rollbacks in health and pension benefits.

Since then, Delphi Chairman and CEO Steve Miller has issued one provocative pronouncement after another on the theme that decent wages and benefits for auto workers—and manufacturing workers in general—are a thing of the past. One example: “Paying \$65 an hour for somebody mowing the lawn at one of our plants is just not going to survive anywhere in Industrial America for very long. That’s just a hard fact of life.”

The *Wall Street Journal* hailed Miller’s stand and took up the same theme in a column published Thursday under the headline “Showdown.” The major organ of US finance wrote: “It marks a true reckoning for the traditional auto industry and the end of a 75-year-old way of life in America: that of the highly paid but unskilled worker.”

Earlier in the week Miller announced that he would ask the bankruptcy court to void Delphi’s contracts with its 33,000 unionized workers if the unions did not accept his demands, and predicted his wage cuts would be implemented by next spring.

These attacks will devastate industrial cities across the United States which have already seen tens of thousands of manufacturing jobs disappear over the last

two decades. One of these cities is Dayton, Ohio, where Delphi employs 5,700 hourly and salaried workers. Four of Delphi’s five plants in Dayton are on the company’s list of “underperforming” facilities that face sale or closure.

Dayton has long been a center of auto parts manufacturing. In the early 1970s General Motors employed some 30,000 workers in the city making brakes, air conditioners, struts and other automotive parts. By 1995 that number had fallen to just 15,000. Following GM’s spin-off of Delphi there was a further huge reduction in jobs.

Delphi workers currently contribute wages of \$260 million annually to the local economy. In addition, dozens of Dayton-area companies employing thousands of workers are in the auto parts maker’s supplier network. They could face bankruptcy if Delphi shuts down operations.

A WSWS reporting team visited the Delphi Chassis Needmore Road plant in Dayton and spoke to workers about the bankruptcy filing. Only some 1,200 workers remain at Delphi Chassis out of a workforce that once numbered 4,300. Because of years of downsizing, two thirds of Delphi workers have more than 20 years seniority. One of the central purposes of Delphi’s bankruptcy filing is to obtain a court ruling terminating its pension obligations to unionized employees.

A Delphi worker, Robert, told the WSWS, “People are so stressed and sick of the situation that they can’t get out of bed and come to work.”

One Delphi worker explained how the bankruptcy filing is being used to intimidate workers with the specter of layoffs or closure of the facility. “An example of how bad things are—today management sent Department 509 workers home because the company that supplies raw steel to 509 wouldn’t deliver unless

they were paid cash. So 509 had no steel to make parts.”

The hefty bonuses awarded top Delphi executives prior to the bankruptcy evoked disgust from virtually every worker interviewed. Overall, there was a mood of anger and militancy, and a sense that the problem began with top management.

The following remarks were fairly typical: “What they are doing here at Delphi is crazy. This bunch is no good. There is too much money at the top. Those people are paid millions and don’t work. Delphi has taken the profits we made them and invested in China, which made them more money and put us out of work.”

Patricia said, “The place to start is at the top, the ones that have it and want more, while we workers at the bottom don’t have anything. I have worked in three auto plants and for all the blood and sweat we have given the company, our reward has been pain.”

In this situation, the leadership of the United Autoworkers has done everything it can to demoralize workers and convince them that resistance is hopeless. In a flier recently distributed at the plant, the union said it would limit its opposition to the courts. UAW officials insisted that the company was within its legal rights to seek the cancellation of the union contract due to its bankruptcy filing.

As a result of multi-tier wage agreements previously accepted by the UAW, the standard wage at Delphi for younger workers is just \$17 an hour. At the same time there have been substantial reductions in overtime. Now, faced with surviving on an hourly wage not supplemented by overtime, many workers are finding it hard to make ends meet.

In recent years Delphi has repeatedly issued ultimatums demanding that Dayton-area plants become more profitable. Each time the UAW has agreed to new changes in work rules leading to a further deterioration in wages and working conditions. This has taken place on an almost yearly basis.

Round after round of concessions and mass layoffs have had a dramatic impact on the overall standard of living in the area, since Delphi and General Motors set the pattern for other employers. Now, a job paying as little as \$12 an hour is considered a good job by many young workers.

Given the prostration of the UAW, few workers look to the union for a solution. At the same time, there is a

sense that the attack on Delphi workers is part of a broader social problem.

Paul, a worker in his late 40s with 28 years seniority, said, “It’s a real bad situation. Everything workers fought for in the last 70 years is being taken away. In 1996, GM decided they would crush the UAW and send everyone to the bottom. The government has done nothing to help working people. Now it looks like I will have to work until I am 65.”

Mike told the WSWS, “I have 28 years service and will be cheated out of my pension. There seems to be a global scheme to put all the wealth in the hands of a few people, and in order to get the money and power they are taking everything workers have.”

He connected the latest attack on Delphi workers with the war in Iraq and the policies of the Bush administration. “I am against wars. If every worker took the position, ‘I will not kill another worker,’ we could do away with war.

“They have spent \$350 million on war in Iraq. That money could have been spent on jobs. The war is about oil and control of the world by the US government and European governments will help the US. The assault on democratic rights is almost a done deal now with the Patriot Act and other antidemocratic laws.

“The only thing Bush has said that I agree with is discrimination breeds poverty, but Bush doesn’t mean it or he wouldn’t cancel the Davis-Bacon act for those working to rebuild New Orleans.”



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