

Ford's job massacre: A corporate crime

Of Jerome White, SEP candidate for US Congress from Michigan's 12th District
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Ford Motor Company's plan to wipe out 44,000 hourly and salaried jobs and shut down 16 manufacturing facilities in North America is a brutal attack on the working class. Once again, tens of thousands of workers and their families are being forced to pay for the mismanagement and avarice of the corporate bosses and the crisis of American capitalism.

The human impact of these cuts will be devastating. In communities throughout the Midwest and South, as well as in Canada, many thousands will lose their incomes and their homes. They will be forced to pull their children out of college or go without health care. Public schools will be robbed of the tax dollars they depend on, and small businesses will be forced to close.

Michigan, which is already reeling from the downsizing of General Motors and auto parts maker Delphi, will be particularly hard-hit, with the idling of the Wixom assembly plant and the uncertain future of Wayne Assembly, the Michigan Truck plant, and other facilities.

Michigan's 7.1 percent unemployment rate is the highest in the nation, and median household incomes have fallen 11.9 percent since 2000, the worst decline in the US. Auto industry centers like Detroit and Flint, which once ranked among the highest cities in the US in home ownership and per capita income, are now among the poorest.

Home foreclosures in the Metro Detroit area have soared 137 percent in the first eight months of the year. In Macomb County, the heart of my congressional district, foreclosures are up a staggering 234 percent! The rate of foreclosures will accelerate in the coming months as mortgage rates rise and home values decline.

Ford is targeting not only assembly line workers, but also white-collar employees, who were told that a college education and technical skills would guarantee them a secure job. At least 14,000 salaried jobs—one third of Ford's total white-collar workforce—are being axed.

The slashing of these jobs will do nothing more than push Ford—once an international industrial icon—further down the road to oblivion. But the big Wall Street

investors who have demanded such massive cuts are not concerned with the long-term health of the company. Their only concern is making as much profit as possible, as quickly as possible.

Over the last five years, most of corporate America has been enjoying a “golden age of profitability,” according to Wall Street analysts. The higher profit margins have been achieved at the expense of labor, which has seen its share of national income sharply decline.

Unsatisfied with the rate of return on its investments in the auto sector, the financial elite has demanded an end to the “social contract” in the auto industry, through which workers had enjoyed decent wages, a measure of job security, health care benefits, and pensions. Workers in the “new” auto industry are to be paid half as much, and will enjoy none of the benefits the previous generation had secured through decades of struggle.

When Ford announced last January its “Way Forward” plan—which included cutting 34,000 jobs in North America and the shutdown of 14 plants over the next seven years—Wall Street shrugged its shoulders and demanded more blood. To drive home their point, big investors drove down the company's share value by \$1.4 billion in the first six months of the year.

Ford's directors responded by dumping William Clay Ford Jr. and handing the CEO position to Alan Mulally, the former Boeing executive who oversaw the destruction of thousands of jobs at the airline maker. Under the accelerated job-cutting program, dubbed “Way Forward II,” Wall Street investors expect to see their earnings rise by 25 cents per share for every 5,000 workers Ford throws onto the street.

The claim that there is no money to sustain decent living standards for auto workers is a fraud. Even as Ford was losing hundreds of millions of dollars last year, its top five executives raked in \$26 million, including \$13 million for William Clay Ford Jr.

Mulally will get \$2 million in salary and expenses in his first two years. In addition, Ford agreed to pay him a \$7.5 million signing bonus and an additional \$11 million to

cover performance pay and stock options he left behind when he retired from Boeing.

No ruling class in the world is as parasitic and corrupt as the American corporate oligarchy. Rather than investing the necessary resources to build safer, less expensive and more fuel-efficient vehicles, as well as to provide workers with economic security and a high level of education and training, the auto bosses and Wall Street investors would sooner destroy one of the world's best known industrial companies as long as they can extract the maximum loot for themselves out of the ruins. This only underscores the socially destructive character of the profit system.

While the auto executives have acted with utter ruthlessness to defend their interests, the leaders of the United Auto Workers union (UAW) have responded with spinelessness and complicity. The UAW, which long ago abandoned the defense of the working class, has functioned as a junior partner with Ford, helping the company shutter plants and force out its older workforce. In exchange, UAW officials have been promised an opportunity to collect union dues from younger, lower-paid workers and continue at least some of the labor-management ventures that have provided a steady stream of income for the UAW bureaucracy.

My political opponent in the November election, twelve-term Democratic Congressman Sander Levin, has done nothing to oppose the unrelenting assault on auto workers' jobs. An ally of the UAW bureaucracy, Levin has long sought to divert workers from a struggle against the corporate owners by blaming the loss of jobs on Asian and European imports and alleged trade barriers to US carmakers.

Like the UAW, Levin and the Democrats have tried to sell this bill of goods in order to pit American workers against their brothers and sisters in other countries in a race to the bottom, to see who will work for the lowest wages and worst conditions. "Standing up for the American auto industry" really means sacrificing the jobs and living standards of American workers to defend the corporate executives and their multi-million-dollar salaries.

I reject the national chauvinism of the union bureaucracy and Democrats and call for the international unity of auto workers to defend their jobs and living standards. Workers in every country face a common struggle against the global auto giants. Over the last month, for example, Volkswagen workers have been engaged in bitter struggles against mass layoffs in Brazil

and Mexico.

Autoworkers are not responsible for the crisis of the auto industry. Under the capitalist profit system, the corporate executives and Wall Street investors have a monopoly over the decision-making process, but they are not the ones who pay for their disastrous choices.

The first step in protecting the interests of working people is to institute democratic control over all business decisions affecting work, safety, salaries, hiring, and hours. These decisions cannot be made by the wealthy few—whose interests are antithetical to the needs of working people—but by committees of factory floor workers, technicians and other experts committed to the interests of the working class. The establishment of industrial democracy presupposes 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 massive industries upon which millions of workers and their families depend can no longer be the personal assets of America's wealthy elite, who dispense with them as they see fit. If the auto industry is to be run for the good of society, not personal profit, it must be transformed into a publicly owned utility. This will not only guarantee a good standard of living for auto workers and their families, but the production of safe, high-quality and affordable vehicles for consumers.

The ongoing transfer of wealth into the pockets of the richest one percent in American society must be halted and the revolutionary advances in technology and globally integrated production put to use to meet the requirements and solve the problems of modern mass society.

The fight for this socialist and internationalist policy requires a break with the Democratic Party and the entire two-party system of American big business, and the building of a mass socialist party of the working class. This is the aim of the Socialist Equality Party's election campaign in 2006, and I ask auto workers as well as all workers and youth to seriously consider our program, vote for me in November, and make the decision to join the SEP and build the new revolutionary leadership of the working class.



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