

Detroit Chrysler worker speaks out on impact of mass layoffs

“This is a major change in our lives and we have no control over it”

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The downsizing of the US auto industry is having a devastating effect on the lives of hundreds of thousands of people, particularly in the midwestern US states of Michigan, Ohio, Indiana and Missouri. Over the past 18 months the Big Three automakers—General Motors, Ford and Chrysler—along with their parts suppliers have announced the elimination of more than 150,000 jobs. Unlike the early 1980s—when the downturn in the industry was followed by a period of re-hiring—analysts are quick to point out that today’s job cuts are part of the permanent shrinking of the US auto industry in line with the smaller market share controlled by the Big Three. In addition, for every job eliminated by the auto corporations an estimated nine others will be wiped out at auto suppliers, car dealers and other dependent businesses.

In February, DaimlerChrysler revealed plans to wipe out 13,000 jobs at its Chrysler Group plants in the US and Canada. The company’s German executives also made clear their intention to end the nine-year-old merger with Chrysler and spin off the money-losing US operation. This has sparked a wave of takeover offers from private equity firms, billionaire speculator Kirk Kerkorian and the non-union Canadian auto parts giant Magna. The outcome of such a takeover would be the gutting of the wages as well as health care and retirement benefits of Chrysler employees. The new owners would likely sell off the corporation’s most profitable assets and dismantle the 80-year-old auto company.

The threatened carve up of Chrysler is the latest blow to the state of Michigan, which is already reeling from decades of plant closings and layoffs. In the 1950s, when the US auto makers enjoyed a near global monopoly, producing four out of every five of the world’s cars, the state’s manufacturing centers—Detroit, Flint, Lansing and Saginaw—boasted some of the highest rates of home ownership and per capita income in the US. Today, Michigan’s official jobless rate—6.6 percent—is second only to hurricane-torn Mississippi, and neighborhoods that were once the home to the highest paid industrial workers in America are experiencing a record number of home foreclosures, bankruptcies and demands for emergency food and medical assistance.

The exodus of workers and their families from the state has prompted comparisons to the mass migration of the Dust Bowl era of the 1930s, when tens of thousands of ruined farmers from Oklahoma and other states packed up their meager belongings and left for California. According to the US Census Bureau, 42,300 people left Michigan last year, up from 29,700 in 2005, and by far the largest migration out of the state since 1984, when the near-Depression conditions in the auto industry forced thousands of workers and young people to leave Michigan in search of oil industry jobs in Texas and other southwestern states. Describing current conditions in working class areas in Michigan, a *New York Times* writer recently noted, “In some Michigan neighborhoods that have been home to auto workers, houses are now selling for less than the prices of some of

the vehicles rolling off of assembly lines in Detroit, Dearborn, Lansing and elsewhere in the state.”

Autoworkers and their families have been left entirely on their own by the United Auto Workers union, which, rather than opposing the mass layoffs, is assisting the auto bosses in the “orderly” downsizing of the industry. After decades of labor-management collaboration at the expense of its members, the UAW bureaucracy is not even making a pretense of defending autoworkers’ jobs and living standards. On the contrary, the UAW recently suppressed a wildcat strike by workers at a North Carolina plant owned by DaimlerChrysler’s Freightliner truck division, where 1,200 out of 4,000 workers are slated to lose their jobs. In exchange for the union’s cooperation in the dismantling of Chrysler, the company’s potential buyers are reportedly considering giving the UAW bureaucracy an “equity stake” in the new company, including possible control of its multi-billion dollar pension fund.

UAW members have been forced to make the choice of taking a “buyout” to leave the industry or to try to hang on, hoping that they will survive the next round of mass layoffs. The buyout package, for eligible UAW members with at least a year of seniority, includes a \$100,000 lump sum and six months of limited medical coverage. Having no confidence in the UAW, more than 4,300 Chrysler workers have already chosen to take early retirement or buyout packages, leaving their jobs, benefits and retirement packages behind them.

“We’ve been given only a few weeks to make a life-changing decision,” said Robert who has worked at a Chrysler plant in the Detroit area for more than 15 years. “If I don’t take the buyout and then get laid off, you will get put in the Jobs Bank, where you continue to get paid. But after the next labor contract is signed in September, the Jobs Bank might be gone and we’ll be put out on the streets with nothing.

“If we have to relocate to find work somewhere else, we can’t sell our homes because housing prices have plunged and foreclosures have skyrocketed. We’ll have to take the kids out of school, with all the trauma that would cause, and move to another state. Even if I were able to sell my house, I would take a big hit. A lot of workers have been in denial, saying this can’t happen to us, but it is. I’ve been rushing around getting dental care for my kids because in a few weeks time I may not have coverage any more.

“This is a major change in our entire lives and we have no control over it. The people in power are making a lot of money. How much money do they need—\$40 million, \$50 million? Look at the lives they have destroyed. These buyouts are a horrible thing for the working class.”

Robert described the mood of workers on shop floor as they awaited the long-anticipated downsizing announcement scheduled for Valentine’s Day, February 14. “For six weeks before the announcement we knew it was going to be bad news, we just didn’t know how bad. We’ve heard a

constant barrage of rumors. There was talk two years ago about the possible sale of the company, but the top executives denied it. Then they said, yes, they were looking for people to buy the company. The German division wants to dump the American division, and I think they are going to do it any way they can. We are trying to get through this, but we're watching the factory disintegrate before our eyes. The company began painting the massive stamping presses white, instead of Chrysler blue, and we told ourselves this place is getting ready to be sold.

"Maximizing profits in the short-term is all they are concerned with. We had a multi-million dollar piece of equipment that broke down. Three or four years ago they would have flown someone in from Germany to get it going immediately. This time it took 10 days just to get someone to look at it. They won't put the money out, and they've laid off most of the machine repairmen. This is a major sign to the employees that they are just going to let the plant die. My personal belief is they will sell our building to an outside company to manage it. It isn't going to be Chrysler anymore.

"When Tom LaSorda took over the Chrysler division as CEO, one of the first things he said was that his responsibility was to the shareholders, not the employees. It's to the guys in the investment companies that are owned by elites, not guys like me who have 100 shares in my 401K. After the job-cutting announcement, the stock went up \$5.40. If I sold them, what would I make, \$540 dollars? The big guys made millions and they knew what was going to happen beforehand. They make more in a one-day transaction than a Chrysler worker makes in his entire career. We're just trying to make ends meet and put food on the table for our kids. Everyday we've got this hanging over our heads. These people are controlling our lives.

"This is a very bad way of doing things. You would think that there would be laws and corporate charters. They are supposed to be socially responsible when they do business. But obviously these things will never come up. The Democrats are just like the Republicans. They don't care. What happens when you lose your house? What are they going to do? [Michigan Governor] Granholm and the Democrats say they are for the working class and social programs, but in reality they are cutting the programs for the people also, while they are spending billions for the war in Iraq. The Democrats speak for the corporations, not for the working people."

Robert addressed the efforts by Granholm and other Democratic politicians, as well as the UAW, to blame the loss of jobs on "unfair foreign competition," in particular from the Asian carmakers. "Toyota is not the reason we are losing our jobs," he said. "The reason is that the people on the top of Chrysler just want to make more. I call that the law of capitalism. They need to keep expanding and making more money. And they can't get it out of the consumer who isn't going to pay more for a car. People are going to go with the cheapest car because they are struggling too. What are you going to do if you can get a Toyota cheaper than a gas-guzzling Chrysler?"

"I'm not against globalization. The nationalist 'Buy American' thing doesn't solve the problem. These are multinational corporations that are abusing people all over the world, not just here in Detroit. We need globalization, but there has to be a fairer way to do these things so that it helps everyone out, not just a few people at the top that are taking advantage of labor all over the world. They are always searching for cheaper labor.

"The UAW at Chrysler says 'Buy Chrysler.' Well, Chrysler isn't an American company anymore—it's a German company. As a whole, the company made \$1.7 billion in profits last year. We only began 'losing' money the minute we refused to give up the same health care concessions as the GM and Ford workers did. DaimlerChrysler has cut jobs in Germany too. Workers all over the world are facing the same struggle. The Ford workers at the Fiesta plant in Russia just went on strike, and the

company settled it by giving them an extra nickel."

Chrysler workers have been hit with one "restructuring" after another since the 1998 merger between Chrysler and Daimler Benz, including in 2001 when the company eliminated 26,000 jobs or one fifth of its blue and white collar workforce. The United Auto Workers union, which along with the German IG Metall union, sits on DaimlerChrysler's supervisory board, has pressured its members into accepting speed-up and other cost-cutting measures, supposedly to save jobs. The result has been the worsening of conditions of auto workers on the one side, and a windfall in payoffs to the company's German and US-based executives on the other. Although the company lost \$1.5 billion last year, Chrysler CEO Tom LaSorda pocketed \$3 million in compensation, including a \$1.1-million annual bonus, plus \$2 million worth of shares.

Robert commented, "They cannot increase profits any more by reducing the materials coming into the factory. Now they are going to start hitting us up for health care. The shareholders are not making enough money. They need to keep it coming in. The only place they can squeeze it out of is the employees. They've already done everything to cut costs on steel. They've gone down to such thin gauge of metal we've actually had the steel go through the whole process and customers will look at the body lines on the showroom floor and the panel will be splitting because the metal is so weak. That's unacceptable. You can't produce cars like that. But they've shrunk down the amount of metal so much for one thing: to save money."

"The union has enabled the destruction of jobs," Robert said. "There used to be a pattern for improvements every contract, now it's for concessions and reductions. The auto companies already made these cuts—they're supposed to be financially sound. How many of these 'turnarounds' are we supposed to go through? We went through a turnaround in 2001 that cost tens of thousands of jobs. I watched people on the news losing their jobs. They come up to them with a security guard to escort them out of the building. I'm talking about guys with 15-to-20 years who have given their lives to the success of the company. And the company hasn't given any security to these workers. It isn't any 'team' if you ask me. The only team is the guys higher up, the so-called coaches, along with the union. They always push that 'team' stuff. If any supervisor puts out a letter to the employees it's always addressed 'to the team.' What team?"

"The older workers say let's keep what we got. Who cares if they bring in a two-tier wage system? The union pushes this every-man-for-himself stuff. There is no means of resisting through the union. The union officials don't want their style of life disrupted at all. We never see Ron Gettelfinger, the president of the UAW. He doesn't come to the plant floor. All we see of him is in the newspaper. These are people who are holding our security in their hands. But all they do is go along with the program. Gettelfinger sits on the board of directors in Germany as a 'labor representative.' He knows what the company is doing. There is no resistance at all anymore. If any serious issues are raised at a union meeting, the local president will shut down the meeting.

"The UAW is going along with the program. The UAW leaders are too afraid if the employees walk out on strike that they will not get their paychecks. And those are bloated paychecks from the top leadership down to the shop stewards in the plants. Our steward gets paid for a 10-to-12 hour day—he couldn't care less about the employees."

The UAW is collaborating with the auto bosses efforts to drive out an entire generation of older workers who accumulated relatively higher wages and a measure of job security and retirement protections and replace them with a much smaller and more highly exploited workforce of low-wage and temporary workers.

Commenting on what the future holds for autoworkers Robert said, "They are going to get rid of everyone making \$27 an hour. They don't want to have 10-to-12 job classifications any more. They want two or

three classifications at a low rate of pay. They want the average worker who can take a part off the line and put it in a rack to also run over to the line to start it back up if it stops. Now you need a skilled tradesman to do that. That's what they are pushing with the Modern Operating Agreements and what they call our 'Smart Training' on how to work together as a team. They are going to get rid of all of us and bring in low-pay and temporary workers. Delphi wants to hire people for a year or two at a time. That enables a company not to pay the benefits. Having 30 years at a company is going to be a thing of the past.

"They are shutting down plants all over the world. I saw a cartoon showing two businessmen standing together. The one guy looks at the other and says, 'What did you just tell that worker?' The other guy responds, 'I told him to stop talking and work faster.' 'How much are you paying him?', the other guy asks. 'I'm paying him five dollars a day,' he says.

'Well how much are you making from what he is producing?' the other guy asks. 'I'm making \$25 a day.' The other guy says, 'So in other words he's paying you \$20 a day to tell him to work faster.' That's the reality of the capitalist system.

"Fifty percent of the kids in college are going to be ending up working at a restaurant as highly-educated waiters who are going to be struggling every month to pay their bills. They don't even know what is going to hit them once they graduate, because no one is telling them the truth. How long will it take before people realize there has to be a change? Look at what is happening today. Many people can't put food on their tables. Most are living on the edge. People read about the war and they know the politicians, including the Democrats, are not telling the truth."



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