

## March 20 hearing of the Citizens Inquiry into the Dexter Avenue Fire

# Deindustrialization, the UAW and the Decline of Detroit

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*Below we post one of several investigative reports presented at the Citizens Inquiry into the Dexter Avenue Fire, Utility Shutoffs and the Social Crisis in Detroit. In coming days the World Socialist Web Site will post additional reports and testimony from the March 20 inquiry.*

When we speak about utility shutoffs and the lack of the most basic necessities of life like electricity, light and heat we are looking at the consequences of the decades-long assault on the living standards of the working class. The conditions that have been created in Detroit today are unparalleled since the Great Depression of the 1930s.

This slide illustrates this point. On the right is the line-up of nearly 50,000 people at Cobo Hall last October, seeking assistance to pay their utility bills and prevent themselves from being evicted. On the left are unemployed Detroiters lining up to receive free coal in the 1930s.

I'd like to review a few key statistics so we can put the issue of utility shutoffs within the context of an unprecedented social crisis in Detroit.

- Unemployment is officially 28 percent, with the real rate closer to 50 percent
- From 2000 to the beginning of 2008 the metropolitan Detroit area lost 150,000 jobs due to downsizing in the auto industry
- Nearly 50 percent of Detroit's children are categorized as poor
- The city's infant mortality rate of 16 per thousand live births is equal to that of the Dominican Republic
- With the latest announcement of 45 school closings, half of the city's public schools will have been shut down since 2006
- It is estimated that 75,000 homes were in foreclosure in Detroit in 2008
- The Center for Responsible Lending projects nearly 326,000 more foreclosures in Michigan from 2009 through 2012

It was not always the case that Detroit was the poorest big city in the nation. In fact the opposite was the case in the period after World War II. Here is a slide of downtown Detroit in 1954, when the population was nearly two million—more than twice what it is today—and when working people enjoyed the highest per capita income in the US and the highest home ownership rate in the US.

There was even at that time a decent public transportation system, as this slide showing the Dexter bus line in 1954 shows. The city's schools were also known to be among the best in the nation.

What was then known as the Big Three—General Motors, Chrysler and Ford—were producing four out of five of the world's cars and GM was the largest private employer in the world, second only to the government of the Soviet Union in number of workers employed.

There was a very rapid growth in population from 1910 to 1950. Hundreds of thousands of people left the South, including African-

American workers seeking to escape Jim Crow segregation and poverty, and large numbers flocked into the growing auto industry.

The population of the Motor City leaped from 465,000 in 1910 to 1,568,622 by 1930. To put this in a modern context, the more than three-fold increase in population over this 20-year period was even more rapid than the explosive population growth of cities in China over the last twenty years.

The living standards of the working class were not granted out of the goodness of the hearts of the major auto employers and big business, but were the product of massive social struggles by the working class, black and white.

The Wall Street Crash of 1929 and the Great Depression led to a two-thirds reduction in auto production, mass unemployment and a wave of wage cuts. This slide shows unemployed job seekers lining up for Christmas work at the Fort Street post office. Again, a picture that is very similar to the one we saw at Cobo Hall last summer.

The Depression led to mass social opposition. In 1932 socialists and left-wing workers led a Hunger March to demand the right to employment from Ford. The Dearborn police responded by shooting down and killing four workers and injuring hundreds of others. These slides show the scenes of the funeral marches for the Hunger March martyrs. The *Detroit News* reported that 15,000 marched in the funeral procession, and 30,000 gathered at the grave to sing "The International" and other socialist songs.

This picture shows a rally at Cadillac Square in downtown Detroit in support of the Flint sit-down strikers in 1937 who were fighting GM. Even in the aftermath of World War II there still remained a powerful working class movement in the city. This is a photograph of a 1947 rally in Cadillac Square of some 150,000 workers, who were opposed to the Taft-Hartley anti-labor laws, which restricted solidarity strikes and imposed anti-communist "loyalty" oaths on union leaders.

The struggles of the working class inspired broad opposition to conditions that masses of African-American workers confronted. The civil rights movement had a powerful impact in Detroit. This is a picture of Martin Luther King addressing a mass rally in 1961 at Briggs Stadium. The conditions of unemployment, police brutality, segregated neighborhoods and schools came together to produce what was the most massive upheaval of the ghetto rebellions of the 1960s. In 1967 President Johnson sent the 82<sup>nd</sup> Airborne from Vietnam to suppress this rebellion.

Senator Robert Kennedy is seen here attempting to pacify an angry crowd. At that time the Democratic Party was still identified with certain policies of social reform—the War on Poverty, the Great Society programs. In the 1970s there were large protests against police brutality, in particular against the Detroit Police Department's undercover unit called STRESS

(Stop the Robberies Enjoy Safe Streets), which regularly terrorized and murdered black youth.

This upheaval was part of the growing opposition within the working class against the erosion of living standards, the lack of decent social programs and the war in Vietnam. In the aftermath of the ghetto rebellions there was a very conscious decision by the corporate and political establishment to hand over political authority in many major American cities to black Democratic Party officials. This is Detroit Mayor Coleman Young and a young Carl Levin, on Inaugural Day in 1974. In a series of cities, including Cleveland, Newark and Los Angeles, black mayors were brought to power, black judges elected and black cops added to the police force. The argument was that they would be more sympathetic to the needs and desires of ordinary working people and poor people. They would end racial discrimination, police brutality and so forth—arguments that were utilized to keep the working class tied to the Democratic Party.

Far from securing the interests of working people, the Democratic Party, acting on behalf of the corporations, began an offensive against the working class. And once again the working class in Detroit stood out in the struggle against this offensive.

The 1970s saw continuous struggles of workers to defend their living standards against inflation. In 1970 350,000 GM workers conducted a 67-day strike that secured a 30 percent increase in wages over three years, plus unlimited cost-of-living protection against inflation, something that is unheard of in the present situation. Chrysler workers in particular were known for their militancy.

With American corporations facing increasing competition from Japan and Germany in the late 1970s and American capitalism beginning its long economic decline, a conscious decision was made to take on the working class and destroy the gains that had been achieved through decades of struggle—that is, a permanent reduction in the wages and benefits of working people. To weaken the working class the deindustrialization of the country was begun, shifting production to low-wage countries and shutting down large sections of industry. That process came to the fore with the Chrysler bailout of 1979-80.

In a government report drawn up during the debate on the federal loan guarantees to Chrysler, Detroit was described as one of the areas “known to have some of the most inefficient and troublesome workforces available.”

Chrysler dealt with this problem by shutting nearly a dozen factories in the Motor City and wiping out nearly 40,000 jobs in the metropolitan area. The official unemployment rate in Detroit, which had never recovered from the downturn of 1974-75, jumped to 14.6 percent.

This attack, followed by Reagan’s firing of the PATCO air traffic controllers in 1981, initiated a decade of union busting and one attack on the working class after another.

What was the response of the United Auto Workers union—the organization that workers had built in the 1930s? Rather than resisting the attack on workers, the UAW became a partner in the assault. The unions, which had allied themselves with the Democratic Party and driven out the socialists who had opposed capitalism, told the workers that their enemies were not the corporations and the government but workers in Japan, Germany and other countries. UAW President Douglas Fraser was put on the board of directors of Chrysler and the UAW suppressed every struggle against plant closings and mass layoffs in the name of “labor-management partnership.”

The complicity of the UAW bureaucracy was summed up by Marc Stepp, the UAW vice president in charge of Chrysler, who said, “I believe that the company will have to trim operations down. But what can you do about it? We have free enterprise in this country. The corporations have a right to make a profit.”

That outlook—the acceptance of the profit system—is what has produced the disaster for the working class, epitomized in Detroit.

Chrysler’s flagship factory, Dodge Main, which once employed 40,000 people, was shuttered in 1980 and demolished the following year. With the complicity of the UAW, this and many other factories were torn to the ground.

This chart on strike activity shows the suppression of the class struggle by the UAW and other unions. From the 1930s to the 1970s, the working class was engaged in one massive struggle after another to defend its living standards. By the 1980s, the unions acted to suppress the class struggle and prevent the working class from fighting back against these attacks. This chart shows the enormous decline in strike activity to virtually nothing.

A parallel graph shows the sharp increase in the wealth of the richest one percent of the population. With the suppression of the class struggle, the ruling elites in America were able to accomplish things that they could only have dreamt of in an earlier period.

The UAW, in its betrayal of the American Axle strike in 2008, set the conditions for its collaboration with the Obama administration in the forced bankruptcies of Chrysler and GM in 2009. This led to the destruction of tens of thousands of more auto jobs in the area and the further decimation of living conditions in Detroit. Retired auto workers, who make up a good portion of the metro Detroit area, and who in many cases were helping their sons and daughters pay their bills, have lost their dental and optical care and other basic benefits.

In return, the UAW was given control of a multi-billion-dollar retiree health care investment fund and a substantial ownership stake of the automakers, including 55 percent of the stocks of Chrysler.

What has been the result of the devastating attacks on the working class and the betrayals of the UAW?

In 1960 there were 35 major auto plants in and around the Motor City—including such well-known operations as the Ford Rouge complex, GM’s Cadillac plant and Dodge Main—employing well over 110,000 workers. Today, there are 14, employing less than 22,000 workers, including many earning half the traditional wages—\$14 or even \$12 an hour, compared to \$28. All told, the restructuring of the auto industry has led to a 70 percent drop in Michigan’s auto-related employment since 1989.

You cannot discuss the depopulation of the city of Detroit, which is unparalleled in history—except in times of war or natural disaster—outside of understanding the class warfare that has been conducted for more than three decades against the working class.

As others have noted, the Democratic Party and Mayor Bing have utilized the depopulation of Detroit to justify further cuts and to hand over whole swaths of the city to real estate developers. The plan to shut down 45 more public schools—outlined by emergency financial director Robert Bobb—was worked out with Mayor Bing to shut down whole areas of the city and cut off all city services. The only areas where services will continue is where there are already commitments for investment and development. As Bing said to people in the poorest neighborhoods, “I can no longer guarantee service in your areas.”

The rise and fall of Detroit is bound up with the rise and fall of American capitalism. It parallels the transformation of the US economy from industrial production to the most reckless forms of financial speculation.

The rise in working class living standards was bound up with the powerful upsurge of the class struggle and its decline was the product of the betrayals of the working class by the trade union organizations.

The current crisis in Detroit, like that throughout the US and the world, is creating conditions where the great traditions of class struggle and socialism will be revived. It is only on that basis that the living standards of working people can be defended and the right to lights, electricity, health care and a decent standard of living can be fought for—not on the basis of an acceptance of capitalism but on the basis of placing the utilities

and all the major industries under the democratic and popular control of the working people themselves.



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