

Detroit auto plant produces five-millionth Jeep

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24 August 2013

An event last week, which was noted with little fanfare in the local media and entirely ignored in the national media, spotlights the social contradictions that underlie the bankruptcy of Detroit. Management at Chrysler's Jefferson North plant on Detroit's east side marked the occasion of the five millionth Jeep built at the facility with a brief ceremony.

The Jefferson North plant has been producing SUVs bearing the Jeep nameplate for more than 21 years, since January 14, 1992. The plant has had its ups and downs, and it was even threatened with closure during the Chrysler bankruptcy in 2009. Nevertheless, it has averaged nearly 250,000 vehicles a year. In 2012, total production hit 291,403.

The cumulative output of five million vehicles is staggering. The figure is particularly remarkable when the economic value of this output is calculated. Assuming the average value of a Jeep produced at the plant is \$40,000, five million vehicles would be worth \$200 billion.

The gross profit on a Jeep Grand Cherokee, the staple of Jefferson North and the most lucrative vehicle in Chrysler's lineup, is estimated at \$4,000 to \$5,000. Five million vehicles would mean a gross profit between \$20 billion and \$25 billion in the course of the plant's two decades of operation.

Yet according to the universal consensus of the big business politicians and commentators in the corporate-controlled media, there is "no money" in Detroit! The resources simply do not exist, these seers claim, to meet the elementary requirements of civilized life in the Motor City: fire protection, street lighting, garbage collection, public education, health care, pensions for retired city workers.

Jefferson North gives the lie to these claims. The profits generated by this single plant exceed the total

debt of the city of Detroit, even the grossly inflated estimate of \$18.8 billion made by Emergency Manager Kevyn Orr to justify the bankruptcy filing.

Taking into account the dozens of plants that once existed within the city limits of Detroit, where hundreds of thousands of autoworkers produced profits for GM, Ford and Chrysler for many decades, it is clear that the total wealth generated by Detroit labor must amount to many trillions of dollars.

Under the capitalist system, however, these profits were accumulated by the handful of superrich families who controlled the auto corporations, as well as the major Wall Street banks and other financial interests. These parasites bled the working people of Detroit dry, and then condemned the Motor City to the scrap heap. Detroit is now the poorest major city in America, with the highest rate of unemployment and the worst public services.

There is an additional dimension to last week's ceremony at Jefferson North. According to the company press release, the five-millionth vehicle came off the assembly line with "Chrysler Group's Senior Vice President of Manufacturing Scott Garberding behind the wheel and UAW Assistant Director Virdell King riding shotgun."

"Riding shotgun" is an apt metaphor for the role that the UAW has played over the past three decades, since it ended even token resistance to the auto corporations and adopted a policy of all-out collaboration, transforming the union into nothing more than an industrial policeman to suppress working-class resistance to the dictates of the corporate bosses.

A critical point in this process was the Obama administration bailout of the auto industry in 2009, which "saved" Chrysler and General Motors at the expense of the autoworkers. At the insistence of the

White House, the UAW enforced a 50 percent cut in wages for newly hired workers.

This enormously increased the profitability of plants like Jefferson North, where Chrysler added 1,100 new workers in October 2012, nearly all of them paid a \$16 hourly starting wage, as the plant converted to the notorious Alternative Work Pattern, running three crews, working ten-hour shifts, producing six days a week.

None of these newly hired workers earns a much in a year as a single Jeep Cherokee costs at a Chrysler dealership. Their base pay is equivalent to the gross profit on eight vehicles – the number of cars produced at the plant every ten minutes.

These figures testify to the extreme level of class exploitation that characterizes American and world capitalism—enforced at every stage by a union apparatus that, as a large shareholder in the auto corporations, directly profits from the sweated labor of its own members.



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