

The reality behind the “comeback” of Detroit

## At Detroit Auto Show, workers denounce bankruptcy, attacks on wages and pensions

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An estimated 800,000 people attended the eight-day North American International Auto Show in Detroit, which concluded on Sunday. The event was held amid official pronouncements about the resurgence of the auto industry—five years after the bankruptcy of General Motors and Chrysler—and the supposed “recovery” of Detroit.

The auto executives, wealthy investors and financial institutions, which own the giant firms, certainly have a great deal to celebrate. Profits are set to smash through last year’s \$12 billion surplus and GM and Ford investors will receive dividends for the first time in years. Car sales are reaching pre-recession levels—in part because of an explosion of sub-prime car loans—and companies are reaping the benefits of a nearly 30 percent reduction in labor costs imposed with the collaboration of the United Auto Workers union.

Celebrating supposed “diversity,” the media shined the spotlight on GM’s new CEO Mary Barra—the first female CEO of a major auto company—who promptly announced she would accelerate her predecessor’s restructuring efforts in Europe. The cost-cutting plan, which includes plant closings in Germany and Great Britain and US-style wage and benefit cuts and “labor flexibility,” is aimed at bringing profits in Europe in line with American and Chinese operations.

Many workers and their families attended the show with a sense of pride over the products of their labor and a fascination with technological advances. However, they have little to celebrate. While profits are at record levels, the Motor City is being dragged through the bankruptcy court by an unelected financial dictator hell-bent on destroying city worker pensions and robbing public assets like the priceless collection of the Detroit Institute of Arts. Paying as little taxes as possible, and flush with a cash hoard estimated at \$52 billion for GM and Ford, the auto companies and the big banks are lording over the poorest big city in America, with Depression-like levels of unemployment and poverty.

On the first day of the show, Vice President Joseph Biden reiterated that the Obama administration would not provide any bailout for the city of Detroit, as it had done for the Wall Street banks and auto companies. Instead, he insisted the bankruptcy

of the city should be modeled on the 2009 restructuring of GM and Chrysler—a process that reduced the wages of new workers to the equivalent, in real terms, of what auto workers earned in 1914.

Campaign teams from the Socialist Equality Party (SEP) and the International Youth and Students for Social Equality (IYSSE) distributed hundreds of fliers to auto show attendees, encouraging workers and young people to attend the February 15 Workers Inquiry into the Bankruptcy of Detroit and the Attack on the DIA & Pensions. Several workers stopped to tell WSWs reporters about the reality behind the so-called recovery of Detroit. Mike and Nick, two young workers in the auto parts industry, stopped to speak. Mike, who works at a DuPont paint plant, said, “We supply paint for Fiat, Honda, GM, all the auto companies. The place can be hazardous. If I breathe in a certain type of paint it can crystallize in my lungs.

“The wages are so low and workers are competing against each other. They just hope the guy next to them will quit so they can take his job. It’s ridiculous out here with 40-year-old guys working at McDonald’s for \$7.50 an hour.

“We saw all the robotics machines at the Ford auto show display. It’s very cool but it was like they are saying, ‘here are the machines that are going to make you unemployed.’

“We workers are the ones who make them rich.” Referring to threatened attack on city worker pensions, he said, “They just take and take. The Ford CEO made \$20 million last year. How much do they need? They want to have private condos in Africa or fly their private jets to a different county just for lunch.”

His friend, Nick, is a stamping press operator at company that produces interiors for the auto companies. He said, “We are paid so little for so much work. We’re really just making the minimum wage. It’s wrong. Our company produces foam parts, heat shields and other components for Ford’s F-150 truck and the Mustang. These companies are making billions while we aren’t making anything. I know I won’t be able to start a family with what I’m making.”

After having been a member of the Bricklayers and Allied Trades union for 12 years, Thomas Avigne talked about the decay of the trades unions. “I grew up thinking that the unions

were strong and good for the workers. But that was not my experience. I thought if I worked hard and got a trade, I would be all right. I soon found out if you are just trying to work hard you don't fit in with the union."

He was very interested in the Inquiry campaign. "I have to fill myself in on the things going on in Detroit," he said. "My fiancé is a public school teacher with Detroit Public Schools, and all I hear about Detroit these days is that they are not going to have their pensions. This is a crime, and the perpetrators are counting on us not having time to look into it and find out what is really happening. They are counting on us being left in the dark. I really need to come to this [Inquiry]. When I start digging up shocking facts behind what is going on, it looks like a conspiracy against the people."

Eric Smith was attending the show with his son William. "Look at all the money they put into this building in the last year. You cannot tell me that they have no money to pay the workers their pensions. Dan Gilbert and Mike Illitch are two of the richest men in the world. The city gives them money to buy another building and leave it vacant as an investment. That's disgusting."

Mr. Smith is a tree trimmer for DTE, which forced workers on strike in 2010. "The company has made record profits for the last five years, and now they are cutting all of their contractors, linemen and tree trimmers. Edison cut our holiday pay. We had given up raises of 3 percent per year to earn those holidays, and they just cut them out.

"We stood on a picket line for 17 days and the international union forced us back to work. The union has gone over to the side of the company."

Dave Parnell, a retired Detroit firefighter, stopped to speak to the WSWS about the Detroit bankruptcy. "I worked for the city 34 years. You can't tell me no one saw this coming. To work more than three decades and then have them tell me I have to go on Obamacare because I am not old enough to qualify for Medicare is not right. It is not going to work.

"How can they be paying these lawyers millions of dollars and you can't buy a fire truck? They weren't out there on the line with me when it was freezing every day or during the firestorm they had on Robinwood. Firefighters fight wars every single day. We don't get to come home as wounded war veterans. We live every day as wounded war veterans."

Damion, a young worker from Quebec, said he had travelled to Detroit to be able to see the DIA before the art was sold or the museum closed. "I love art museums. I wanted to experience the DIA before it disappears. I have been hearing stories about what is happening here in Detroit for months.

"I prefer the more classical artists. The classical collection at the DIA is spectacular. The Court of Death [by American painter Rembrandt Peale] was really spectacular. I do not want to see that painting go up over the fireplace in some mansion."

Dave worked at Ford's giant Rouge complex for more than two decades. He said, "I used to see society as a pyramid with

social layers getting narrower at the top. I was somewhere in the middle. Now it seems like a single upside-down table leg with most of society flat on the floor and a small handful of the very rich perched at the top. It cannot go on like this."

Tracy Winston was attending the auto show because her daughter was going to perform with a singing group from the Detroit School of the Arts. "My dad is retired from the Water Department and we are going to a meeting this week to find out about his pension. He worked forty-one years in the west yard. What they are doing is terrible."

Willie, who retired from Chrysler's Jefferson Assembly plant on the lower east side said, "It is wrong for them to cut peoples' pensions after all this time. They are cutting medical benefits too. Some people pay 300 to 400 dollars a month for pills they have to take. What are they going to do?"

His friend Lonnie, who retired from the Ford Rouge plant, said, "Now they start workers at \$13 and \$14 per hour. The best they can get is \$18 per hour with no pension. How can they live?"

The collusion between the Democratic Party and the unions in the Detroit bankruptcy was on ample display at the auto show itself. Representatives of the UAW were distributing leaflets, entitled "A message for Nissan," which is aimed at pressuring the Japanese automaker to bring the UAW into its Mississippi plant, where it will enforce low wages and speedup on behalf of Nissan. UAW representatives said John Conyers, the senior Democratic congressman from Detroit, had made arrangements for them to campaign at the auto show.

In contrast, private security guards prevented the SEP and IYSSE from distributing fliers on the Workers Inquiry inside or right outside of the city-owned Cobo Hall convention center and threatened to call the police. Campaigners set up at a distance outside, explaining that the Inquiry would expose the conspiracy of the corporate and financial aristocracy and its servants in both big business parties and the unions, which were looting the city.



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