Wall Street engineers ouster of top Ford executives

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US-based carmaker Ford announced a sweeping change of top executives Monday morning after relentless pressure from Wall Street to slash jobs and funnel even more money to its most powerful shareholders. The move follows last week's leak that Ford executives are planning to eliminate 10 percent of the company's global workforce of over 200,000. The prospect of 20,000 job cuts, however, was "met with indifference by the Street," according to several news outlets.

Mark Fields, who has been Ford's CEO since mid-2014, was ousted in favor of Jim Hackett, whose automotive experience is limited to three years on Ford's board of directors, and 14 months running Ford's Smart Mobility subsidiary. The latter directs the company's autonomous vehicle, car-sharing and other "emerging opportunity" projects.

The reshuffling at the top of the number two US automaker, described in industry circles as a "coup," underscores the complete domination of the banks and financial speculators in America. Even highly profitable companies like Ford are under the constant whip of Wall Street to carry out relentless cost-cutting and increase the exploitation of the working class to fuel the stock market bubble and boost investor returns.

In a company statement, Ford said that before coming to the auto industry Hackett "led Steelcase Inc.'s turnaround to become the world's No. 1 office furniture maker." In fact, during his two decades of running the West Michigan-based company, Hackett eliminated half of the company's US facilities, slashed pay and pensions and wiped out thousands of jobs. "Among those he had to personally pink slip," *Automotive News* boasted, "was the best man at his wedding."

Ford also named Jim Farley as executive vice president and president of Ford Global Markets, and Joe Hinrichs as executive vice president and president of Ford Global Operations. Both Farley and Hinrichs have experience in slashing thousands of jobs at Ford's operations in Europe, South America and the US and Canada.

The outgoing CEO, Fields, was paid $22 million in 2016 and is guaranteed a golden parachute after his forced retirement. At the same time, thousands of Ford workers around the world will now face the axe, including 1,400 salaried workers in North America whose job cuts were announced last week.

Before being promoted to the top position in 2014, Fields, then head of the company's North American division, authored "The Way Forward Plan," which was used to reduce Ford's hourly employment in the US from 77,500 in 2006 to less than 41,000 in 2011. Fields worked closely with the United Auto Workers to push through pro-company labor agreements in 2011 and 2015 that enabled Ford to expand hourly employment to 55,000 to meet rising sales while containing costs with lower tier wages and benefits and expanded numbers of part-time and temporary workers.

Ford and other US carmakers have made record profits over the last seven years and have enjoyed 10 percent profit margins or higher. Nevertheless, Wall Street has punished Ford's stock, driving down its value by 40 percent since Fields took over in 2014. Shares have fallen 10 percent in the first five months of 2017 as signs that the long boom in North American auto sales is ending even as markets in Europe and Latin America continue to stagnate and demand slows in China.

In a clear example of the speculative frenzy driving these money-mad financiers, last month investors drove up the market capitalization of electric luxury carmaker Tesla past Ford and General Motors. Tesla, which produces 76,000 cars a year compared to a combined 16.6 million by the two Detroit carmakers, has never produced a profit in its ten years of existence.

Investors are demanding rapid job cuts, a redirection of Ford's investment toward higher dividends and stock buybacks, and a clear plan to justify the "cost to capital" rewards from expensive investments in high tech projects with Silicon Valley, including self-driving autonomous vehicles the industry says will be launched in 2021.

Pointing to factors driving the change at the top, *Detroit News* wrote, "As rival General Motors Co. under CEO Mary Barra aggressively moves to reshape its global market and manufacturing footprint—leaving Russia and India, ending production in Australia and Indonesia, selling its European operations to PSA Groupe SA of France—Ford's directors found Fields moving too slowly on such things as the Blue Oval presence in India and whether it should withdraw from the small-car segment in the United States, among other things."

Ford has also failed to reward Wall Street like GM, which after relentless pressure by "activist" shareholders diverted $10 billion from its estimated $25 billion cash hoard to buy back stocks and drive up share values. This was orchestrated by a group of hedge funds, led by Harry Wilson, a former member of Obama's Auto Task Force, which used the financial crash of 2008 to restructure GM and Chrysler, destroy thousands of jobs and with the assistance of the UAW, halve the wages of new hires and free the companies of their retiree health care obligations.

During a Monday morning press conference to introduce Hackett to investors and the media, Executive Chairman Bill Ford praised the outgoing CEO Fields for "record profitability, cash flow and solid results." Hackett, he said, was a "change agent," who would "speed up our decision-making and invest capital where we can create value while addressing underperforming areas."

An analyst from Bank of America-Merrill Lynch asked Hackett if he would oversee "any change in capital structure, like increasing dividends or buybacks?" The new CEO replied, "The shareholders and the Ford family expect that we are returning the cost of capital. We want to make sure that is aggressive enough."

Boasting that he was "wired" with a keen "sense of capitalism," Hackett promised to build "enthusiasm for Ford" on Wall Street, adding, "we don't have to cede to anybody, Tesla or anybody."

Asked if he would implement further cuts in white-collar and hourly jobs, Hackett said job-slashing was "part of the inventory out there, and this is the first series of topics for our team. The fitness of the company is something we will never stop talking about, and there will be lots of things coming in that direction."

Hackett dismissed the political theater the auto execs engaged in on behalf of Trump's "Buy American, Hire American" campaign, which the billionaire president and the UAW have used to drive a wedge between US workers and their class brothers and sisters internationally.

Asked if he would he would implement any changes regarding the transfer of small car production to Mexico and other low-wage countries, Hackett told the assembled investors, "We are a global company, and we want to own our strategies about where we play and how we win, so we will be building product all over the world. The supply chains are designed in an interactive way that cannot be undone. Those moves were done, not for political reasons, but for business decisions—and they are still sound today."

As in the telecommunications, airline and other global industries, finance capital is carrying out a fundamental restructuring of the auto industry in response to the world economic crisis. The shakeup at Ford is a prelude to a new wave of mergers, mass layoffs and attacks on jobs and living standards as the global auto giants fight over shrinking markets and a dwindling pool of profits.

It is impossible to fight this attack on a national level. The only rational response is a globally-coordinated struggle by the working class, which begins by breaking from the UAW and other nationalist trade unions. A powerful industrial and political counter-offensive of the working class must be forged, based on the strategy of an internationalist and socialist program, including the transformation of the global auto industry into a public enterprise collectively owned and democratically controlled by the working class.