

# Elon Musk threatens to cut 10 percent of Tesla's white collar workforce

Rafael Azul  
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Elon Musk, CEO of electric vehicle maker Tesla, called for the layoff of 10 percent of the company's white collar workforce in an internal company email on June 3.

"Tesla will be reducing salaried head count by 10 percent, as we have become overstaffed in many areas," Musk stated. He said that the number of hourly employees, on the other hand, would increase.

In another email cited by Reuters, Musk had stated he was ordering a "pause on all hiring worldwide," saying that he had a "super-bad feeling" about a coming recession.

Musk later reversed himself twice on Twitter, first stating that "total headcount will increase, but salaried should be fairly flat," before seeming to confirm that the plan for salaried job cuts was accurate.

More recently, on June 10, it was revealed that Tesla had canceled a series of virtual job fairs, which had been scheduled to take place in China this month. The events were to recruit positions in sales, deliveries, research and development and procurement, according to the *Wall Street Journal*.

His threats to the cut salaried jobs come shortly after the billionaire commanded white collar workers at Tesla and SpaceX to return to the office full-time or be fired, i.e., end remote work arrangements despite the continuing danger of the COVID-19 pandemic.

"The more senior you are, the more visible must be your presence," declared Musk in a memo with the subject line "To be super clear" the week before. With his typical self-aggrandizement, he continued, "That is why I lived in the factory so much—so that those on the line could see me working alongside them. If I had not done that, Tesla would long ago have gone bankrupt."

Tesla has become the world's largest manufacturer of electric vehicles (more than 936,000 vehicles sold in

2021), although it still lags far behind the established automakers in the overall number of vehicles sold. Its rise has been dependent upon the intense and brutal exploitation of workers, as well as the cheap-money policies of the Federal Reserve and the attendant frenzied speculation on Wall Street over the last decade-plus.

The run-up of Tesla's stock price has made Musk the world's richest man, with a fortune estimated at more than a quarter of a trillion dollars, despite the recent slump in the company's share value.

The company now employs 100,000 workers across the world in 19 manufacturing plants that, in addition to electric vehicles and parts, manufacture home batteries (the Tesla Wall) and other components. Its biggest assembly plants are in Shanghai, China (15,000 workers) and Fremont, California (10,000 workers) in the United States, and more assembly plants have been recently opened in Texas and Germany.

Elon Musk's corporate empire also includes aerospace company SpaceX and other firms. He is currently negotiating the purchase of social media platform Twitter for an estimated \$44 billion. He has increasingly courted the Republican Party and sections of the far right, stating that he would reinstate Donald Trump's Twitter account following his acquisition of the company.

Facing gathering pressure on Tesla's staggeringly inflated share price, Musk is more and more lashing out at the company's workforce, seeking to drive up productivity and workers' exploitation even more. "There is just a lot of super talented hardworking people in China who strongly believe in manufacturing," Musk said in an interview with the *Financial Times* last month. "They won't just be burning the midnight oil, they will be burning the 3

a.m. oil, they won't even leave the factory type of thing, whereas in America people are trying to avoid going to work at all."

A May 10 *Fortune* article described conditions for Tesla workers at its massive Shanghai plant. In April and May, its workers were forced to work 12-hour shifts, six days a week, sleeping in the plant as part of a "closed loop system" to keep Tesla's production going during Shanghai's COVID-19 lockdowns.

Early on during the COVID-19 pandemic, Musk attacked the public health measures that had been implemented by the state of California, calling them "fascist" and cynically claiming to stand for the freedom of workers at the plant. Musk has repeatedly downplayed the severity of the pandemic, which has killed over 1 million people in the US, promoting dangerous conspiracy theories to his social media followers.

Defying a county public health mandate during the initial surge of COVID-19, Musk reopened the Fremont plant in May 2020, daring county officials to arrest him. State and county officials promptly caved in to his demands. As a result, over 400 plant workers caught the coronavirus by the end of 2020. Tesla and Alameda County collaborated in hiding the number of pandemic victims at the plant.

"I feel abandoned, we all feel abandoned," Branton Phillips, a worker at the Fremont plant, told CBS in 2020. "One day somebody is sick and we know that, next day the three to four guys that worked around him are also gone, and we're not told anything."

"He threatened to leave the county for Texas, and then we saw a complete change from the county and the state. They just turned a blind eye," said Carlos Gabriel, another worker.



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