

Huge pay packages for auto execs, mass layoffs and savage wage cuts for workers

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According to recent filings with the US Securities and Exchange Commission, the top executives in the US auto industry received big pay bumps to their multimillion-dollar salaries last year. These same executives are slashing jobs and demanding that workers accept further cuts in real wages when the contracts for 160,000 autoworkers in the US and Canada expire in mid-September.

General Motors

GM CEO Mary Barra got \$28.9 million in 2022, more than 630 times what an average autoworker earns. Barra, who has been the highest paid Detroit Three auto boss for eight years in a row, has pocketed over \$200 million since getting the top spot at GM in 2014.

A few weeks ago, the company reported that it made \$2.4 billion in the first three months of 2023 and raised its profit forecasts for the entire year. In North America, pre-tax profits rose 12 percent to \$3.6 billion—the highest first-quarter income in the region ever for the 115-year-old company.

Net income would have been even bigger except for the \$875 million cost of “voluntary employee buyouts” for the 5,000 salaried workers GM pushed out the door as part of a \$2 billion global cost-cutting campaign, which also includes job cuts in China. Last weekend, hundreds of contractors were also let go at the GM Tech Center in Warren, Michigan.

Last year, Barra made it clear GM had no intention of granting workers’ demands in the upcoming contract battle. “They want job security, and they want to be appropriately compensated. But it will be interesting, given inflation and the economic backdrop,” she said. “We’re setting up our budget to be very conservative on a cost perspective.”

That has not stopped GM’s board from increasing its stock buyback program from \$3.3 to \$5 billion this year and squandering vast resources on executive pay.

Stellantis

The highest paid Detroit Three executive in 2022 was Mike Manley, who was paid \$56 million by Stellantis even though he did not work for the automaker last year. The massive payout was part of the deal Manley, then the CEO of Fiat Chrysler, negotiated to merge the company with French automaker PSA Group and form Stellantis in 2021.

Current Stellantis CEO Carlos Tavares got a 20 percent pay increase to \$25.6 million last year. Tavares has been on a global cost-cutting rampage, slashing thousands of jobs in France, Italy and Slovakia, and in the US shutting the Belvidere, Illinois, assembly plant and threatening workers in Detroit with more plant shutdowns if they do not boost output.

Stellantis is currently working with the United Auto Workers to cut 3,500 jobs through a joint “voluntary employment termination” and “early retirement” program offered to 31,000 hourly and 2,500 salaried workers in the US and Canada. Tavares has promised more plant closures and “unpopular decisions” if labor costs are not massively driven down to reduce the price of electric vehicles.

Ford Motor Co.

Ford accounted for four of the 10 highest paid executives in the auto industry last year. CEO Jim Farley made \$21 million. Executive Chair Bill Ford was paid \$17.3 million, and Doug Field, the former Apple and Tesla executive who now runs Ford’s chief advanced product development and technology office, pocketed \$15 million.

On Tuesday, Ford posted first quarter profits of \$1.8 billion, reversing a \$3.1 billion loss a year earlier due to supply chain problems and problems launching new electric vehicles. Of its \$3.2 billion in earnings before interest and taxes (EBIT), the largest share—\$2.6 billion—came from the company’s gas-powered car and truck manufacturing business (known as Ford Blue), while \$1.3 billion came from its Ford Pro commercial vehicle unit. The elective vehicle unit—Model e—lost \$722 million.

Ford expects to make \$13 billion in profits from the first two divisions and lose \$3 billion on EVs. The company is already slashing 5,000 jobs in Europe and threatening thousands more at the Chicago Assembly Plant, where no new product has been

scheduled. To turn a profit on EVs, however, Ford plans to rid itself of a substantial portion of its 57,000 workers, who mostly produce engines and transmissions and carry out final assembly for gas-powered vehicles. At the same time, it plans to hire thousands of new, lower-paid workers for EV plants in Tennessee and Kentucky, including a complex Ford will operate with South Korea battery maker SK Innovation.

“We need a different kind of people, new talent,” Farley said at the Future of Everything conference hosted by the *Wall Street Journal* this week. “I don’t think I can teach everyone—it will take too much time,” he said, dismissing suggestions that the current workforce could be retrained. “There is going to be disruption in this transition.” Late last year, Farley said making EVs would require 40 percent fewer workers.

The United Auto Workers bureaucracy, now headed by new President Shawn Fain, is concealing the coming jobs bloodbath from workers. Far from fighting this attack, Fain has met with auto execs and the Biden administration to offer the UAW’s services to manage the transition.

In exchange for blocking strike action and agreeing to huge job cuts, the UAW bureaucracy wants the go-ahead to unionize the low-paid workers in the EV and EV component plants. GM has already recognized the union at the Ultium Cells plant in Lordstown, where workers who build batteries at the joint venture owned by LG Energy Solutions and General Motors start at \$16.50 an hour and max out at \$20.

Workers denounce CEO payouts, prepare for fight

But workers are determined to fight the conspiracy of the companies and the UAW bureaucracy and are building new centers of rank-and-file power, under the direction of the International Workers Alliance of Rank-and-File Committees (IWA-RFC) to prepare for this year’s battle.

“They are making millions and millions off our labor,” said one Stellantis worker who is a member of the newly formed Warren Truck Rank-and-File Committee at the plant in suburban Detroit. “What we do goes straight into their pockets while our hourly wages are decreasing. They don’t care. We shouldn’t stand for it. It’s time for a fair contract. If we’re not happy with it, we’re not going to go for it, no matter what the UAW says.

“We need real improvements,” the worker continued. “We need more money. Everything is getting higher except our salaries. And we have to stop the abuse of temporary workers and make sure they are immediately rolled over to full-time, not forced to be temp for years.”

Another member of the Warren Truck Rank-and-File Committee said, “How much do these people need? They tell us there’s no money for soap in the bathroom dispensers or to make anything else better for us in these plants. But they are paying these big shots all this money for doing squat. It’s mind-boggling.

“They claim we are paid good, but some of us are barely making what you get at McDonald’s or Burger King. Inflation is hurting

everybody. Gas is higher, taking care of kids is higher, and rents keep going up. There are workers losing their houses at Chrysler. People are asking themselves, ‘Do I pay my rent or put food in my kid’s mouth? Do I buy Ramen noodles so I can pay the \$100 to fill up my gas tank and get to work?’

“Every day we’re giving up our physical and mental health in there, and there is no way to get back the years they’ve taken from us. People are away from their families all the time. They’re drinking and self-medicating before work just to get through the day. And these CEOs, who are making millions, are going to tell us, ‘Shut your mouth and vote for another rotten contract.’”

She continued, “We’re building rank-and-file committees so people can quit being scared. Our back is already up against the wall, and it is not going to get better until we take back our jobs, our livelihoods and our lives. We’re not going to put up with another four years with the company and the union telling us this is the best you’re going to get. No COLA, no good raises, no improvements.

“They want us to take these buyouts so they can get rid of the workers who know what’s going on with the company and the union and bring new people in they can fool. A lot of these young workers apply for these jobs thinking things are like they were 20 years ago, but they get a rude awakening. They’re sick and tired of it too.

“Those of us who have lived through this and know their BS have to get the word out, so the younger workers don’t have to go through the same things, so they don’t have to work without a day off, miss their families and not be able to afford a place to live. Our only description in life is not to be a Chrysler employee. There is so much more in 2023 to live for.

“We have to stand up and stop being afraid. There is the old saying: ‘If you ask a question, you’re a fool for five minutes; if you never ask a question, you’re a fool for a lifetime.’ If we don’t ask why things are the way they are, they’re going to keep getting away with this. We have to open our mouths, talk to each other and organize.”

Are you an autoworker? Fill out the form below for more information on joining a rank-and-file committee at your factory.



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