GM, Michigan billionaires hold state hostage for more handouts, even while slashing jobs

Shannon Jones
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General Motors is threatening to demolish its signature Renaissance Center headquarters, the tallest building in the city of Detroit, unless it receives public funds for renovations.

The latest shakedown follows the company's announcement last week that it is selling its stake in the Ultium Cells battery plant outside of Lansing, Michigan to its joint venture partner LG Energy Solutions. General Motors received $666 million in taxpayer funds from Michigan's Strategic Outreach and Attraction Reserve for the Lansing battery plant and for electric truck production at its Lake Orion, Michigan Assembly Plant.

Meanwhile, reports in the *Detroit News* and other sources reveal that billions in cash handouts from the state of Michigan for auto and EV related production have produced few net jobs. So far only 100 jobs have been created at the Lansing facility and production at Lake Orion has been pushed back to July 2026. Both projects were supposed to create between 3,200 and 4,000 jobs.

These types of public subsidies are in line with the policies of the Biden administration, which is offering massive financial support for the EV transition, including the announcement this month of an almost $7 billion loan to Stellantis for two Indiana battery plants. The Biden administration is handing another $6 billion to Rivian to build an EV plant in Georgia.

For its part, the UAW has backed the state handouts to Ford and GM, falsely claiming that they will create "good paying" jobs. In fact, the planned battery plant jobs will pay substantially below even the inadequate wages negotiated in the 2023 national auto contract. The real interest of the UAW apparatus, as always, is not "good paying" jobs but additional dues income to sustain the salaries of the union's bloated staff.

The request for additional funding comes as GM, Ford and Stellantis have carried out thousands of layoffs in Michigan and beyond in recent months. In November, GM announced 1,000 layoffs, mostly targeting salaried workers in Suburban Detroit. Stellantis has laid off more than 4.000 US workers since September and Ford has significantly scaled back production at its Rouge Electric Vehicle Center (REV-C) in Dearborn Michigan.

The threat to demolish the Renaissance Center, a supposed symbol of Detroit revival and the city's tallest skyscraper, typifies the arrogance and greed of the corporate elite, who view public funds as a private piggy bank. Dan Gilbert, CEO of Quicken Loans and a partner in the GM shakedown operation, has benefited from massive state handouts as well as funding from the city of Detroit for various projects.

Gilbert's wealth soared during the pandemic, making him briefly the 10th richest man in the world. He profited handsomely from the "redevelopment" of Detroit, which has focused on a few high profile projects, mainly in the downtown area, but has done little to improve services or ease poverty for working class residents.

University of Michigan architecture professor Craig Wilkins, quoted by the *Detroit News*, made the obvious point, "It's not uncommon that big corporations, when they want to do large-scale projects, present things in an either-or fashion to shape the debate in the direction they would like," Wilkins said. "The idea of 'if you don't go with this, then we'll just tear it all down' seems like extortion to me, and I don't think the public should allow itself to be extorted."

General Motors, as well as Michigan-based Ford, have been major recipients of cash from the Democratic Whitmer administration, largely targeted toward the

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development of electric vehicle production. The Whitmer administration intervened to massively increase funding for EV development after Ford decided to locate major EV facilities in Kentucky and Tennessee rather than Michigan.

The 2025 state budget pushed through by the Whitmer administration provides another $500 million to the Strategic Outreach and Attraction Reserve (SOAR) Fund along with money for other grants and initiatives for corporate interest. The same budget slashes funding for education.

The *Detroit News* reported that both Ford and GM have refused to state how many jobs had actually been created as a result of hundreds of millions in taxpayer subsidies.

A survey by *Bridge Magazine* in September found that of some $2 billion in corporate handouts by the state since 2021, only about two percent of the 12,000 promised jobs had materialized.

One of the costly investments that have failed or been delayed or scaled back is the Ford Blue Oval Battery Plant in Marshall, Michigan in the south-central part of the state. Ford has received various incentives from both the state and local government totaling some $2 billion. This included tax breaks worth $772 million over 15 years and $630 million to finance site preparation and infrastructure. This was in addition to direct cash grants.

In November 2023 Ford announced it was reducing its investment in the facility from $3.5 billion to between $2.5 and $3.0 billion and decreasing the number of projected jobs from 2,500 to 1,700. The facility is not set to open until 2026.

The state of Michigan recently rescinded, after a public outcry, a $100.8 million handout to Ford for investments in Detroit area facilities after the company, rather than creating jobs, cut back production at REV-C in Dearborn.

According to the *Detroit News*, another company, One Energy, received over $200 million from the state and other public sources to help subsidize construction of a battery plant in Van Buren Township west of Detroit. The facility was supposed to create 2,112 jobs, however, at the most recent count there were just 240 employees in Michigan out of a total workforce of 270.

Another battery manufacturer, Gotion, received support for a plant near Big Rapids, Michigan. It was approved for about $125 million in critical industry program funds from Michigan and $50 million in strategic site readiness funds. The company also has been promised $636 million in tax abatements over 30 years. However, few, if any, of the 2,350 jobs the company promised have materialized.

In June the state appropriated $250 million for a semiconductor complex in Mundy Township outside of Flint. No concrete plans for an actual facility, let alone the projected employment, have been made public.

Meanwhile, Midland, Michigan-based Dow Chemical is seeking $120 million in state funds to modernize the company's research and development operations. Midland said the money would not create jobs but would only serve to retain 5,000 existing jobs, a not so subtle threat to move operations if state legislators do not pony up.

The lavishing of public funds on private investors takes place at the same time that education and other burning social needs are being starved for funds. The 2025 Michigan budget cuts state funding for education by nearly $1 billion and cut mental health funding for schools from $328 million to just $25 million.

A genuine fight to defend jobs must be based, not on the further enrichment of the capitalist oligarchs, but the development of a socialist political movement based on the working class. To put an end to the theft of society's resources by the rich, the giant auto companies must be placed under the democratic public ownership of the working class.

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