

# Daimler-Chrysler "Family" Puts 13,000 of its "Children" up for Adoption

On February 14th, the Daimler-Chrysler AG Corporation announced sweeping plant closings and job cuts for its U.S. operations which will go into effect in 2008 and 2009. The company announced the closing of the Newark, Delaware plant as well as the cutting a total of 13,000 jobs across the US and Canada by 2009, mainly through shift elimination. The Cleveland, Ohio parts distribution center will be idled as well. As part of this "restructuring" plan, the company will cut U.S. production capacity by 400,000 units through 2009. If this wasn't enough, Daimler-Chrysler also announced that it is exploring options to sell off the Chrysler division altogether. No wonder many workers are calling these announcements the "St. Valentine's Day Massacre". What is at stake after all, are thousands of quality union jobs and the quality of life of thousands of working class families. These latest cuts are part of an all-out offensive by the bosses to destroy all remaining high-quality union jobs left in the country. An astonishing 790,000 jobs have been in the automotive sector lost since 1999.

The attitude of company management and investors - who see our jobs only in terms of profits and the bottom line - was callously summed up by Tim Ghriskey, chief investment officer at Solaris Asset Management: "It's hard to say if it's enough ... but the stock is reacting nicely, which is further verification that this is a favorable restructuring move and a much-needed one at Chrysler."

The company's "restructuring" plans have come down like a ton of bricks in the lead-up to contract negotiations. But are these cuts really necessary? Or is the Chrysler announcement just a scare tactic, meant to intimidate the UAW into a sell-out contract?

## The Rich Get Richer, the Workers get Screwed

The announcement comes just after the corporation-wide implementation of the "Team Concept" at Daimler-Chrysler. The UAW gave the company huge concessions when it signed on to the "Team Concept" - against the interests of the membership. This is a classic example of "partnership with the bosses" trade unionism, which as always, has resulted in an unmitigated disaster for the working class. If the UAW really had a say in how the company was run, first and foremost it would be able to delegate manpower on the shop floor. If the UAW really had a say in how the company was run they would

have access to all the finance books, would work with the community and industry as a whole to build the best possible vehicles which meet the needs of working people. Chrysler workers have sacrificed for the "team" by doing more work for the same pay in the name of "employee management". But Daimler-Chrysler's bosses are doing just the opposite. They are willing to sacrifice a lot of money in order to ruin the "team" - the company's plan comes with a 2007 restructuring charge of up to \$1.3 billion.

The most unexpected part of the announcement was the proposal to sell off the Chrysler division - possibly to long-time corporate rival General Motors. It was only in October of last year that the company issued a clear statement that it had no desire to sell Chrysler. Now, the *Detroit News* reports that J.P. Morgan & Co. has been hired to handle Chrysler's sale. Immediately after the latest announcement, Daimler-Chrysler's stock jumped up 8 percent. Apparently what Wall Street is telling auto workers is that they are more economically valuable (to Wall Street) when they're unemployed instead of producing cars.



**"That was when I closed a plant in Delaware, a distribution center in Ohio, and laid off 13,000 workers."**

As usual, the bosses in the auto industry have again claimed that cuts are necessary in order to save the company. So who's responsible for Chrysler's lackluster profits? According to Reuters: "[CEO Dieter] Zetsche's credibility is at stake after a surprise profit warning at Chrysler last year after a shift in consumer tastes exposed its reliance on trucks and SUVs as fuel prices rose. It continued to pump out such vehicles even without dealer orders, inflating inventories that required margin-sapping incentives to deplete."

In other words, aside from spending millions on silly commercials and CEO bonuses, Chrysler's managers keep pumping out cars that consumers don't want! Is it any wonder that the company is

losing money? This same situation exists at GM and Ford. This despite the huge tax breaks the Big Three get from a compliant government. So why are auto workers being asked to pay the price for corporate incompetence and waste? These people are capable only of ruining the auto industry in order to make a quick profit. Instead of looking ahead to the needs of society in the coming years and decades, their company "vision" is limited to the next quarter's stock market results. This is a graphic condemnation of the entire capitalist system, which produces goods for short-term profit, not the needs of the very people who produce all the wealth of society by their labor.

## 1,300 to be Orphaned in Fenton, MO

Part of Daimler-Chrysler's job-cutting plan is to eliminate the entire second shift at the South Assembly plant in Fenton, MO. The company wants to put this into effect in the 2nd quarter of 2008. This despite the fact that in December 2005, Missouri offered a \$32 million incentive package as part of Chrysler's proposal to invest up to a \$1 billion in the Fenton plants through 2012. The state aid included \$16 million in bonds to train local employees and \$16 million in tax credits through the state's Build program.

The Daimler-Chrysler "family" explained that the cuts are needed because of (among other things) "high absenteeism" and the fact that the minivans the South plant makes are "low end products", etc. If the South plant is so troubled, allegedly with workers who rarely show up and make shoddy vans, then why is Chrysler planning on investing to upgrade the South Assembly plant during the same time that the second shift is eliminated?

Like all corporations, Daimler-Chrysler simply wants fewer workers to do more work (which means more profits), and to get government incentives while doing so. Let's be clear: when big business gets these kinds of tax breaks and handouts, it's working people who have to bear the brunt. As we've explained in relation to the airline industry: if corporations want public money (whether in the form of bailouts, tax breaks, or other incentives), then we demand public accountability and control.

For his part, Missouri Governor Matt Blunt said the state would offer assistance to laid-off employees. "I am deeply disappointed that the St. Louis South Facility was included in these reductions. I want these outstanding employees to know that their state government will be provid-



## Fenton, MO Chrysler Workers are on the Chopping Block

ing assistance to help them secure new employment or access to job training programs.” According to the *Post-Dispatch* from February 15th, the average wage of a Chrysler worker is \$27/hour, but the average wage of other workers in the region is only around \$14/hour. What this boils down to is that the state is willing to help future ex-auto workers find lower paying jobs with fewer benefits. Some help!

The cut announcement came as a shock to workers at both Chrysler plants in Fenton. Most were expecting the North plant, which makes Durango trucks, to see cuts, not the seemingly stable South plant. Some employees from the plants have drawn the conclusion that the reason the South plant was punished is because the members at the South plant have not been as compliant with the company’s whims. Some are drawing pessimistic conclusions, hoping for a quick buyout and a transition to another job (at a much lower wage). This is precisely what the corporate executives want – confusion and discouragement. What they absolutely don’t want is for the UAW membership to take stock of the situation and draw militant conclusions. The UAW at Chrysler has to fight back against Whipsawing!

### There is Still Time to Act

This year marks the 70th anniversary of the Flint Sit-Down Strikes, one of the most important battles of the American labor movement, which began in the auto plants of Flint, Michigan. Within weeks, the UAW had won a decisive victory and a wave of similar strike actions spread to every corner of the United States. The sit-down strike involved 140,000 out of 150,000 GM production workers, using a combination of plant occupations and picketing. The auto workers defied two court injunctions, heat being cut off to the plants in the dead of winter, attacks by police and vigilantes, and the machine guns and howitzers of the Michigan

National Guard. Community support and involvement was also a key component in this struggle, as everyone understood that these workers were on the front line, defending the rights of all working people. By their militancy, determination and without any pretense about “partnership” with the bosses, these workers were able to occupy \$50 million worth of GM property and win a national bargaining agreement, cementing trade unionism in the auto industry for decades to come. Ultimately, the sit-down strikes posed the question: who controls the plants – the workers or the bosses?

The sit-down strike is a classic example of just how quickly things can change. The UAW grew into a mighty force on the basis of militant mass action and organizing. Its leaders and members didn’t allow themselves the luxury of holding any illusions about “team work” or “partnership” with the bosses. The UAW has a proud tradition of militancy – and in the situation thousands of auto workers face today, we have to return to these militant traditions and methods of struggle. Otherwise our jobs and livelihood – and those of our families, friends, and neighbors – are as good as gone. Anyone who has seen the film *Roger and Me* knows what devastation will result if these jobs are destroyed.

The UAW leadership has correctly stated that “the company cannot cut its way to profitability.” However, instead of calling for a union-wide fight back against these attacks, instead of fighting back against the company in the interests of the workers they are supposed to represent, they blandly accept the battle as lost already, blaming on US trade policy instead of Daimler-Chrysler’s management. According to UAW president Ron Gettelfinger, “Once again, our

nation’s ill-conceived trade policies are causing tremendous hardship for working families.” This is not the kind of leadership we want and need! Glenn Woemmel, president of UAW union Local 110, hopes the UAW can persuade Chrysler to reverse the decision to end a shift: “I have faith in my UAW leadership that the discussion is not over,” Woemmel said to the *Post-Dispatch*. It is correct that the discussion is not yet over, but what is needed is not faith, but action! We need to inform, organize, and mobilize the rank and file against these attacks!

The entirety of locals 110 and 136 at the Fenton complex need to stand together – both plants. The UAW must look to the local and regional labor movement and community for solidarity and assistance in resisting the cuts – An Injury to One is an Injury to All! The UAW International union has to give the affected locals and regions a militant lead, and if they’re not prepared to do so, they must fully respect the decisions of the locals if they move to defend their jobs. No more “teamwork” with the bosses! Link up with Canadian and German auto workers – Daimler-Chrysler acts internationally, and we must also!

The only team that matters at Chrysler is the rank and file of the UAW. But the team is allowing itself to be run by managers like Pete Rose – they’re making a profit when the team loses. The Chrysler managers running “Team Concept” have got to go. We need new managers – managers that come from the ranks of the “players”, the ones who know best how the company works! We need genuine workers’ control at Chrysler. And at the end of the day, the only way to preserve the team – not just Chrysler jobs but the industry as a whole – is through nationalization under democratic workers’ control. The current owners and executives of the Big Three have proven that they’re only capable of driving the industry – its jobs and the communities that rely on them – into the dirt. With workers’ democratic control over production, the industry would be able to produce vehicles that society actually wants and needs, and the tremendous advances in technology over the past few decades would for the first time be used to lighten the burden of working people, not throw them on the unemployment line.

**For the nationalization of the auto industry under workers’ control!**

**No Cuts! No Layoffs!  
No Concessions!**

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