

FIGHT FOR COMMUNISM!

International Communist Workers Party

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Slaving For Wages, We Make Cars, They Make Profits!

Let's Abolish The Wage System!

The auto industry is central to the economies of advanced capitalist countries. Including road construction, oil, steel, rubber and glass industries that produce for its needs, the total organization of auto production adds up to about 13% of the Gross Domestic Product of the major economies.

Because of this, *Driving Over A Cliff*, a detailed analysis of the industry, claims that "the auto industry is a massive generator of economic wealth..." What a lie!

It is a lie of omission. Really, it is the auto workers who are the massive generators of economic wealth. The capitalist state, its intellectuals and reporters, repeatedly wipe out the central role of the working class in modern society. They want us to believe we are marginal.

Today, auto is a global industry which, like all other industries, has been gripped by the general crisis of capitalism. It's a crisis that raises some startling questions. Why, for example, does VW pay its German workers \$67 per hour, while paying its US workers in Chattanooga, Tennessee, only \$27 per hour in wages and benefits?

Yet, this series of articles on the world's auto workers raises even more startling questions. Why do we need a wage system, period? Why do we need capital for investment? Why can't we produce for social need, not private profit?

They call it a crisis in capitalism. We feel it as a crisis in wage labor... trouble paying the bills, uncertainties about the future, our need for more wages means that it's our crisis. Yet despite what we feel, it's the needs of capital that dictate our situation.

In capitalist production, profits are not enough. They need the biggest market share they can get to beat their rivals. And they need the highest rate of profits to attract the investment they need to automate production and capture the biggest share of the market.

In all this they need us--the working class. But not as partners. They want us as wage workers. In capitalism no worker gets a job unless it generates a profit.

According to the U.S. Bureau of Labor, the average U.S. autoworker gets \$37 per hour (\$22 in wages and \$15 in benefits). In that hour they produce

about \$240 worth of product (the statistics call it "value added"). The capitalist puts out \$37 per hour and gets back \$240. Not a bad system - for the capitalist!

To appreciate what a great deal it is, let's take 100,000 autoworkers (there are actually more). Let's just look at one 40-hour shift (most plants run on two or three shifts). The wage and benefit investment for the capitalist is $\$37 \times 40 \times 100,000 = \$148,000,000$. The "value added" for the capitalist is $\$240 \times 40 \times 100,000 = \$960,000,000$! And they say the industrial working class is marginal!

Of course, that \$960,000,000 doesn't all go into the pockets of the auto industry magnates. To begin with, it only exists as credit (fictitious money) until the cars are sold. That's one reason market share is important. Then it has to be used to pay interest to the bankers for all the credit advanced, to pay the suppliers of the steel, glass, tires and energy that were used in production. Still, there is a sizeable chunk of cash concentrated in the hands of the auto bosses.

That "chunk" is not money as we know it: it's capital. As such, it's social and political power and can be used, invested or disposed of any way the capitalist likes. It's that capital, for example, that allows VW to move some production from \$67 an hour in Germany to \$22 an hour in Chattanooga, Tennessee.

No such freedom for us workers. Our wage is all but spent before we get it. First off \$15 an hour out of the \$37 is siphoned off to pay for benefits. We only get to see the \$22 an hour, which translates into about what a family of four would need to meet "living wage" standards in Chattanooga, Tennessee or Detroit, Michigan.

This constant struggle to pay the bills and barely survive is a cycle that demands our attention so much that we could lose sight of the political, more general and important cycle. This is the cycle that sees our labor power creating their power and their power controlling us—even though we are the majority, ultimately with the decisive power! The wage system empowers capitalists and enslaves workers. Who needs it?

Unions Support Imperialist War & Wage Slavery: One Billion Industrial Workers Can Build Communism

Auto Workers: Part 2: Our previous article looked at the added value wage workers create every hour we work.

In 1999, during the war against Yugoslavia, NATO bombed the Zastava auto plant. They reduced it to rubble and left the workers jobless. Last year Fiat opened its new factory on the bombed-out site. Ready to exploit the 15 years of high unemployment there, they pay about a 1/3 of the \$10.00 per hour they pay their workers in Poland.

In fact, the wages and conditions in auto, as in any other industrial job, are determined more by inter-imperialist rivalry, or government manipulations of the domestic economy, than anything that happens over the management-vs-union bargaining table. Imperialist war plays a big part in impoverishing workers.

Although the bombs were dropped on Yugoslavia, the destruction was designed to "shock and awe" the whole of East and Central Europe. The region that was in part controlled by Russian imperialists was now, the war and its bombings announced, to be completely under the thumb of their German and US counterparts. The area's low-cost workforce was now at the disposal of Western capital. Whether we like it or not, the military plays a key role in the capitalists' rate of profits!

Between 2000 and 2011 the region's auto production more than doubled. Jobs in auto rose 60% to 535,000 in 2010. Volkswagen, Fiat, Ford and General Motors led the way, investing in new plants and equipment and taking advantage of the cheaper labor. Toyota and others followed.

One in every four cars now sold in Europe is made in Eastern Europe, where the bosses pay much lower wages than in their "home" country. The cost of labor varies. In Romania, where Ford and the French firm, Renault, have plants, workers get between \$6 and \$7 per hour. In Hungary at the VW-owned Audi engine plant, the world's largest, workers get about \$18 per hour, close to what VW pays in Chattanooga, USA. In Germany, their counterparts get \$67 per hour.

And the jobs workers in the East gained, workers in West lost. Within one year of the war in Yugoslavia, Ford announced plans to close one plant in Belgium and two in England, while GM planned to cut 6,000 jobs. All the other manufacturers made simi-

lar projections. From that year on, the wages and conditions of industrial workers in the East were used to extract concessions from all industrial workers in Western Europe.

Yet, in 1999, not one union in Western Europe even suggested organizing a strike against the NATO-led imperialist war on Yugoslavia, even as they bombed the Zastava workers out of jobs. What a pathetic failure! Still, it's a point **Red Flag** continually struggles to make with our co-workers: Unions play a reactionary role. While they claim to defend the quality of our lives, they actually defend the wars of their imperialist masters, refusing to attack the wage system as the source of capitalist power. We would have organized a political strike against imperialist war and against the wage system itself.

The ruling class acts as if wage labor is embraced by the masses around the world as a liberating force, lifting them out of poverty. In fact the gigantic explosion of wage labor in the last 30 years was only made possible by the brutal impoverishment of rural families in Asia, Africa and the Americas.

Never in world history, from the "Enclosure Acts" in 18th-century Britain to the NAFTA agreements in Mexico in the 1990s, have the masses embraced the factory with its wage-labor system. Instead they have been driven into it through state-imposed poverty or inter-imperialist wars. Never, until today, have so many workers been pitted one against the other by the necessities of capitalist profits.

Yet never in the history of the communist revolutionary movement, has the slogan "Workers of the World, Unite!" had such resonance. Never in the history of the world has a billion-strong army of wage workers had the opportunity to reflect on their common existence and build a communist alternative to the wage system, its increasing poverty and intensified exploitation. The production and distribution of **Red Flag** have a key role to play.

(Future articles will look at the crisis of overproduction and the threat of China's growth to US dominance. For a final article we request letters and thoughts especially from industrial workers about the way they think auto production would look after a communist revolution. More broadly, how would transportation be organized?)

We Make Cars, They Make Profits! **Let's Abolish The Wage System! (Part 3)**

One of the reasons to abolish the wage system is that it creates profits. The profits (technically speaking 'surplus value') then get divided up among bankers, land developers and industrialists. In 2001 the auto industry began to grow in India. By 2006 a group of capitalists decided to make India a "global manufacturing hub" for autos. They saw 20% of the population - the middle class - living on about \$2.50 a day. They saw millions of others subsisting below that. In other words, they saw a massive cheap labor force. But they wanted more.



Striking Auto Workers at Maruti-Suzuki in India

They got government subsidies, tax breaks, research grants and, above all, favorable labor laws. They got, for example, legislation that made low rural wages even lower. This forced migration from the villages to the cities in search of jobs, pushing down wages even further. (NAFTA produced the same effect in Mexico helping turn it into a hub for auto manufacturing in the Americas).

Clearly workers in auto (or any industry for that matter) face a full-spectrum political attack on their wages. It can never be otherwise. Wages are central to capitalism. Without wage labor there would be no profits. Without profits there would be no capitalism.

Which brings us to another reason why we need to abolish the wage system: although it creates profits, capitalism's laws demand maximum profits, which must be wrenched from the workers hides! This is especially true in times of world crisis. Although car production soared in India, going from 1.7 to 3.3 million in seven years, the growth did not satisfy investment capitalists. They can invest anywhere in the world and only do so where they get the maximum rate of return.

This forced the auto bosses to cut costs. And they did it by speeding up work and cutting wages. Where in 2001 the bosses and bankers got \$2.63 for every \$1.00 they invested in wages, by 2010 they got \$6.14 for every \$1.00 they invested. It was a vicious assault on an already impoverished work-

ing class. In India's main auto production area just outside Delhi, 80% of the 1 million workers are now hired 'on contract' (non-permanent), others are 'trainees' and still others 'apprentices. All three categories pay less than permanent jobs.

Of course the workers answered the attack. Between 2009 and 2012 a militant strike wave swept the industry. It came to a head with the arrest of 147 Maruti-Suzuki workers in 2012. They have been framed for the murder of a personnel manager during a strike. Although all the evidence points to their innocence (the personnel manager actually agreed to their demands) they have been held in jail for over two years without trial. In 2013 the Punjab High Court refused them bail, arguing that "foreign investors are likely not to invest money in India for fear of Labor unrest."

The High Court harbors no illusions about it: wage labor is central to the existence of a capitalist state. But the Maruti-Suzuki workers weren't striking against wage labor or the capitalist state. They were just striking the company they worked for, aiming to make wage labor there a little more livable. In this they were like the hundreds of thousands of auto workers who had taken part in the 2009 - 2012 strike wave.

Which brings us to the most difficult obstacle to abolishing wage slavery: the ideological hold it has over us! Because the capitalists have made us believe we can't live without money, from continent to continent, we only fight to modify the wage system. Instead we should fight to abolish it. A global survey like this series helps make it clear that the exploitation and oppression we face are not primarily the result of a company (management), an industry (market forces) or a country (electoral parties). They are the result of a world system - capitalism. We produce all of value in society. Why, we need to ask ourselves, should we continue to produce for private profit? Why can't we produce for social need?

We can, of course! And that's the importance of **Red Flag**. Now in continent after continent it is sparking revolutionary discussions about abolishing wages and building a communist society like never before. Generally, these discussions are too small, but that only highlights the important role of you, the reader! Join ICWP, help distribute **Red Flag** and start the discussions where you work on abolishing the wage system and fighting for a communist world without bosses or money!

We Make Cars, They Make Profits! **Let's Abolish The Wage System! (Part 4)**

As previous articles explained, capitalist production is intense. It demands the highest rate of profit, the largest share of the market and the cheapest possible rate of labor. In every sector it produces top dogs, or market leaders. In order to survive, lesser manufacturers have to try and replace the leaders. It's a situation that creates a cut-throat, chaotic climate that contains the seed of overproduction, crisis and the widespread destruction of plant, equipment and workers.

Today, in the world's auto industries, Japanese, South Korean and European manufacturers are struggling with overcapacity, being able to produce far more cars than the market can sell. China, one of the few areas where sales are growing, is threatened too with overcapacity. Because of relatively weak markets in the rest of the world all the major manufacturers want to build and sell in the Chinese markets.

"It's a bloodbath of pricing and it's a bloodbath of margins." That was how European auto boss Sergio Marchionne described profit margins in the world auto industry a couple of years ago and it's only gotten bloodier since. It's bloody all right when BMW celebrates a record sales year by announcing it will cut costs (wages, benefits, conditions) by \$575 million per year for the next 6 years!

It's a bloodbath all right when VW, Europe's largest auto maker, announces plans to cut costs an average of \$2 billion for the next three years. Or when VW plans to open its new Chinese factory not in wage-cheap Shanghai, but 4,000 kilometers away in China's interior, in wage-cheaper Urumqi. It's even bloodier when you realize that wages are only part of the story. In Slovakia, often called the "Detroit of the East" 70,000 workers produced 500,000 vehicles in 2010, but just two years later, in 2012, they produced 900,000 vehicles.

It's the same in the US. In 2004 there were 70 auto plants. Today there are 55 producing almost as many vehicles. Labor costs are down 27% while some crews have to work two 10-hour night shifts

on a Monday and Tuesday and two 10-hour day shifts on Friday and Saturday as well as a "mandatory" Sunday once a month.

It's the same the world over: longer hours, more intense work, week-end work and safety cuts all add up to work shifts "full of fatigue, empty of satisfaction." In some plants 57 seconds of every minute are accounted for! At Toyota in Japan there is a new phenomenon - *karosha*, or death from overwork. In capitalism the wage worker is more robot than human, a commodity, to be used then discarded!

Listen to the German press comparing VW to Toyota. Toyota employs 339,000 workers and sold 9.98 million vehicles last year. VW employs 573,000 and sold 9.73 million vehicles. "Why does VW," the German paper *Suddeutsche Zeitung* asks, "need more than 234,000 workers in order to produce fewer cars?" They want to cut the livelihood of 234,000 men and women! Capitalism is a world system with a world view, a view that sees wage workers as things.

The revolutionary movement **Red Flag** is building rubbishes that view of the world. If you think that instead of reducing a person to hour after hour of intense, repetitive actions, the production process should draw on the full array of human capacities, then you are already thinking like a communist. You should join our movement, if you think that instead of having to go cap-in-hand to beg, plead or ask for a job, you should find yourself producing something the community needs as a result of group discussions you yourself participated in, then you are already thinking like a communist. You should join our movement. If you think that instead of working to make bankers, industrialists and land developers fatter and more powerful, you should work to create a share-and-share-alike world, you already think like a communist.

You know what to do!

Read our pamphlet:

**BIGGER INDUSTRIAL WORKING
CLASS:
BIGGER COMMUNIST POTENTIAL
WORLDWIDE**

Available at: www.icwpredfalg.org

