

LaRouche Warns Nissan's Wage Killer: 'Mississippi Is Not Manchukuo'

by Bonnie James

The Japanese car-maker Nissan is leading a "race to the bottom," in a drive to bust wages, working conditions, benefits, and the right to organize, in what a Mississippi State Legislator has called a "racial experiment on African American workers, aimed at how low they can drive auto, and American workers as a whole." In its Canton, Miss. plant, Nissan has slashed wages to about 40% below what a union autoworker in one of the Big Three auto plants earns, and about 20% under the pay scale for Nissan workers in the company's Smyrna, Tenn. plant, some 300 miles distant. The average hourly wage in Canton is about \$12 an hour, while the supplier industries for the plant are paying \$9-11 per hour. These are poverty-level wages, for full-time, skilled industrial work.

In a discussion with *EIR*'s Paul Gallagher on April 28, State Rep. James Evans, who represents Mississippi's 70th legislative district, and is a member of the state AFL-CIO organizing committee, pointed out that the Canton plant is "part of the Black Belt . . . the City of Jackson is 75-80% black; and the county is the same kind of numbers, and maybe even more." The "experiment" being carried out at Canton, just north of the state capital at Jackson, is based on taking an "eager," largely black workforce, and using the plant as a model to destroy wage standards throughout the auto industry, and across the board.

The driving force behind Nissan's Nazi-like labor policy is Carlos Ghosn, a Brazilian-born Lebanese, trained in France, who became CEO of the company in 2000, and instituted the so-called Nissan Revival Plan. Ghosn—also the chief operating officer of Renault, Nissan's industrial partner—is known throughout the industry as "Le Cost Killer." Under his anti-labor, "shareholder value" regime, Nissan's stock price tripled from 2000 to 2003. The Canton plant, begun in 2000, was part of the "revival." Nissan built it on the quick, and it opened in 2003 with production of the Nissan Quest minivan. Now it also makes the Nissan Titan pickup, Armada SUV, Altima sedan, and the upscale Infiniti sport-utility vehicle. The corner-cutting has led to manufacturing defects in the cars. All but the Altima have received unacceptable ratings this year from *Consumer Reports* magazine, and sales fell 0.6% at the same time that the market increased 1.1%.

Evans charges that Nissan is treating its workers "like human cattle": "When you decide on this race to the bottom—it's two ways that you can level off standards of living. You

can bring the folks at the bottom up to the folks at the top, or you can drop the folks at the top down toward the folks at the bottom.

"And treating them like human cattle—the fact that he [Ghosn] has laid off over 100,000 folks, and driven wages down, lets you know that he's trying to set a standard for how fast they can accelerate this race to the bottom in wages. And this is the *experiment* to see—because this is the worst shop; it's strategically located; and I'm certain that the results, of how well he survives this in the long haul, is what the industry and others are waiting to see."

"It's part of the race to the bottom as far as the middle class is concerned," Evans emphasized, "and it's greed driving down the middle class. This is one step above servitude, for \$12 an hour. That's what that is, with no respect on the job, no rights on the job. And then, it's a deceptive thing; because the Constitution guarantees respect and dignity. And the law—although it's too weak to do any good in the face of these thieves—but the law says the workers have a right to organize to better themselves.

"So we've got the Constitution and the laws; and in essence, they're trying to deny them their legal rights and constitutional rights, with fear and deception."

LaRouche's Mobilization

In a discussion following his April 27 webcast from Washington, D.C., Lyndon LaRouche, who has proposed a top-to-bottom retooling of the auto industry for production of advanced transportation and nuclear plants, was asked whether he planned on taking up the banner of those who are protesting Nissan's experiment in Canton. The questioner noted that the Canton situation, while extremely disturbing, is by no means unique; that at least half a dozen such experiments have been documented across the South over the past six months. The cynical explanation for this is that, "if American workers can be persuaded to work at this wage level, then jobs can be kept at home, and the outsourcing will end. And at the same time, these workers will be put to work at 'productive jobs.'"

LaRouche responded by cautioning the Japanese automaker, and its French co-owners, "that Mississippi is not Manchukuo"—the area in Manchuria, China, invaded and occupied by the Japanese in 1931-32, and renamed "Manchu-

kuo”—where terrible atrocities were committed against the civilian population. “This was typical of the Japanese occupation in various parts of Asia, which was very brutal, LaRouche added. “The Japanese tend to be rather nasty, extremely inhuman, in treating people who they feel are, shall we say, their helpless subjects.

“And for Japan—at least a firm which is associated with the name of Japan—to engage in what is happening in Mississippi in particular, but also speckled in other locations around the United States, is something which is not easily forgivable on the part of Japan.”

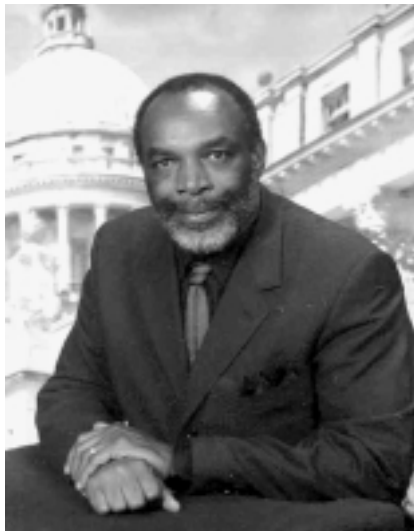
LaRouche then addressed the Mississippi “experiment”: “Now, on the question of the location of this operation in the United States: The peculiarity is, the United States, despite all else, has a higher level of culture than is available to investors in other parts of the world, even a poor area, like the poor area where they’re concentrating on a largely African-descent population in this particular case.

“Remember that before this time, Japan invested significantly in auto-producing plants in the United States, and while the UAW was functioning, and when the Big Three existed, that when the Japanese would set up an industry, they would do everything possible to keep the unions out of those plants. *But*, the way they would combat the unions, is by trying, appearing at least, to match the benefits, which the UAW had negotiated with its relevant firms.

“Now, what’s happened in this case, in this particular case, and others, is a move to *break that pattern*. They say, ‘Screw them.’ And they go into areas where the population is relatively poor, poverty-stricken. They get concessions, in which all kinds of concessions are made—no taxes, no this, no that—from the local community. In other words, the local government funds the operation. And they use this as a pattern to break the unions. And to break the standards of labor, and welfare, in this country. This includes pensions.

“Now, what they’re doing is, by the General Welfare principle, is something *we can not tolerate*. But the reason they do that, is . . . because the United States is a better source of skilled labor, than any other part of the world they have available—even poor people who are of African descent in these areas of Mississippi. They have an inherent cultural advantage over the labor force available in other parts of the world. And therefore, the Japanese are very astute to that. They always moved in, in the United States, in producing automobiles, because they could produce *better* here, than they could in Japan. Because the culture of production in the United States, is better than Japan. Japan has a very high investment in high-capital intensive machinery, which is how they produce. But the subtleties of production, the American labor force, and the American environment, is much better for production, than Japan itself. As Japan cases show.

“So, therefore, they’re coming in here, and looting us, because we’re here. And they intend to loot us on a large scale, gobbling up the entire auto industry, loot us, with the



Mississippi State Rep. James Evans, a member of the state AFL-CIO organizing committee, charges that Nissan is treating its workers “like human cattle.”

connivance of the people in the auto industry itself, U.S. auto industry. But at the same time, they’re picking up the advantage of labor of a degree of skill and productivity, they can not get in other parts of the world.

“So, it’s not a benefit to us, that they intend. They come to suck our blood, not to benefit us.”

In response to LaRouche’s characterization of the issue at the Canton plant, Representative Evans stated: “That shows that Mr. LaRouche is a learned man who has done his research on Mississippi. . . . He sized it up correctly.”

Canton: ‘A Place of Fear’

Following a Feb. 24, 2005 meeting with United Auto Workers President Ron Gettelfinger, local ministers and community leaders called Nissan’s Canton plant “a place of fear.” They said the employees are forced to work long hours at a breakneck pace, and under a restrictive attendance policy. One Jackson minister said, “It’s not salary or health benefits. It’s firing—how easy it is to get fired.” The top wages, only attainable by a small part of the work force, are \$2.25 less than at Nissan’s Smyrna, Tenn. plant, and \$6 an hour less than a UAW member makes at a Ford plant, UAW Vice President Bob King said.

Worse, most of the workers are being hired and kept as temporary employees of a labor company, Ranstadt, for 18 months to two years before they even enter Nissan’s wage-scale progression, and five more years before they earn company health insurance or retirement plans.

Evans graphically described the speed-up and brutal working conditions at the plant: “They’re eating the flesh off their backs, and robbing them and their families of the benefits of their labor, by auto industry standards. That’s what they’re doing, robbing them day by day.”

Why do the Canton workers put up with this? These are people, mainly African-Americans, who have come from



Nissan Motor Co.

Nissan Chief Executive Carlos Ghosn (in suit), at the Nissan auto plant in Canton, Mississippi. Known as “Le Cost Cutter,” Ghosn is carrying out an “experiment,” using the “eager,” largely black workforce in a brutal “Wal-Martization” of the auto industry.

low-wage, often minimum-wage service jobs; for many, \$12 an hour is a significant wage increase. On top of that, the company tells them horror stories about the union, and they come to see it as a threat. So, they become fearful: fearful of losing their jobs.

Effects on the State of Mississippi

The slave-labor-like conditions being enforced at Nissan’s Canton plant are also severely impacting the State of Mississippi. When asked by *EIR*, what, if any, benefits the plant has brought to the state, which made a significant commitment to Nissan to have the plant located there, Evans was blunt: “You know, when the commitment was made, to do the Nissan plant, the initial investment was \$300 million or so. And then they came back, and wanted another launch-pad, and we paid for another \$64 million. And there were also other things that we paid for, as far as training, and set-up costs, and other things, and that come to around \$400 million. That was the financial thing. Then, the tax breaks and the tax benefits, from the state, and from the county, and from the city of Canton, added as part of our normal economic package. And I think that folks calculated that at about \$65-70,000 *per job*. That was the commitment that the state made to that Nissan project there.”

But, those hopes were soon dashed, when the state realized that the wages at the plant were so low, that returns to the economy would be virtually nil. “To get its investment back,” Evans explained, “in essence, was [the assumption] that [Nissan] would be paying workers \$23 an hour. We calculated when we would get the money back. Now, if

you’re paying them \$12 an hour, that means it’s going to take you double the time to get it back, if you ever get it. And you have to examine: Is the commitment being kept? That’s what the community wants . . . and those are questions that the taxpayers are concerned with being answered.”

In other words, workers making \$24,000 per year, at best—barely above the official poverty level for a family of four—will not be paying much in the way of taxes, or have the discretionary income to spend in the local economy, as had been anticipated. Evans estimated that it would take at least 20 years for Mississippi to recover, in payroll taxes, its concessions to Nissan.

In addition, Nissan—acting as an “automotive Wal-Mart”—threatens its local suppliers, like Tower Automotive, with cutoff of contracts

in reprisal for any union activity at the supplier.

‘Mission: Impossible’

The United Auto Workers and the AFL-CIO have decided to take on the challenge of organizing the Canton Nissan plant, a project that Evans calls “Mission: Impossible,” in a reference to the TV spy drama of the 1960s. Because, as he said, “If you look at every time that ‘Mission: Impossible’ came on, they completed a mission that was impossible, successfully.” While the labor movement has had other “missions impossible,” Evans judged that Canton may be among the most challenging, “because we’re dealing with Carlos Ghosn, who is really ‘Mr. Anti-Labor.’” On the positive side, Evans believes that the community will support the organizing drive, “because a lot of folks have tried to do things in Mississippi that they couldn’t do anywhere else; and they got met, with a strong, unified community.”

But, this is bigger than the State of Mississippi, as Evans points out: “It’s a crusade for justice. And the United Auto Workers is here, because the workers inside that Nissan plant asked for help. They asked the community folks for help; and they asked other folks for help. And the Auto Workers stepped up to the plate, and said, ‘Here we are.’ And the AFL-CIO, which I work for . . . is letting folks know that they have the right to a voice at work; and they have the right to better themselves, period. So, it’s obvious I’m in, from the guardian of the taxpayers voice in the state, to the employees’ rights.

“I don’t want Nissan to make a mistake about it,” Evans declared. “I’m doing this. This is my job. And I’m glad of the opportunity to be on a ‘Mission: Impossible’ team.”