

Nissan-GM Merger Is Next Step In Fascist Labor Recycling

by Paul Gallagher

A proposed shotgun merger of General Motors with Nissan/Renault is the next step in the introduction of fascist labor recycling into the world auto industry. Under the leadership of CEO Carlos “Le Cost Killer” Ghosn, Nissan/Renault is already running a plantation slave labor shop in the heart of the southern United States. Workers at the Canton, Mississippi Nissan plant are stripped of any job security for the first two years of employment, forced to work any number of hours at sped-up conditions, and paid one-third or less the wages of a unionized autoworker. Ghosn is now conspiring with predator Kirk Kerkorian, owner of 10% of GM’s stock, to take over the running of GM’s operations, according to many sources.

The reorganization plan is pure Felix Rohatyn (banker and Democratic party power broker), which means pure fascism. It is often forgotten that the Nazi concentration camps were initially slave labor operations in which the able-bodied were first worked to death before being efficiently eliminated. The Auschwitz death camp stood adjacent to the site of I.G. Auschwitz, a 100% subsidiary of the I.G. Farben chemical giant and the world’s largest production plant for synthetic fuel and rubber for the Nazi war machine. Every major industry in Nazi Germany was manned by slave labor, which included Jews and other minorities, prisoners of war, and able-bodied populations imported at gunpoint from captured nations.

The grinding up of labor for the benefit of “shareholder value” today is fascist labor policy. It is the same policy which Nazi Finance Minister Hjalmar Schacht introduced into Germany, on behalf of his backers in the Bank for International Settlements. It is the reason that Hitler was promoted by the Bank of England, Wall Street, and the Synarchist banking houses of France which included Felix Rohatyn’s patron at Lazard Frères (now Lazard), André Meyer.

This “Ghosn plan,” on which Kerkorian and other predators have apparently been conspiring since February, aims to

create an international auto industry unregulated by national governments, and to outsource and eliminate national industry and national machine-tool capabilities.

What would a Ghosn takeover of General Motors entail? Just consider the keynote speech that Wilbur Ross, another Lazard-Rothschild “industrial” cannibal, will give on Aug. 23 in Pontiac, Michigan: “Rationalizing the Auto Supplier Industry: Carving Out Profit from Merger & Acquisition Activity.” Ross showed how that works in the U.S. steel industry, which he has helped to “disappear.”

Ghosn would undoubtedly add to GM’s plant-closings list right away, after the company has already just “retired” 28% of its remaining production workforce and is shutting 12 plants. Worse, he would devastate the auto-supply industries of the U.S. and European companies, by drastically cutting auto-supply contracts as Nissan has done in its U.S. operations. Now, Ghosn would be wielding the world’s largest auto conglomerate or “partnership,” acting as a “WalMart” on the auto industry. *Manufacturing News* commented July 5, “If such an alliance were to come to be, it would, as the world’s largest car group, have far-reaching effects on parts and component purchasing up and down the world-wide automotive supply chain, leveraging power that would inevitably put supplier margins under further pressure, taking some to the brink of insolvency in the face of already intense competition from suppliers in low wage economies.”

Lazard and the Lizard

After Kerkorian’s sudden public demand for the deal on June 30, the boards of both Renault and Nissan quickly gave the green light to this “partnership,” a Renault-Nissan joint purchase of 20% of GM stock for \$3-4 billion. On July 5, the French government, which at first had called for “extreme caution” from Renault, switched, and the Finance Minister told Renault to go ahead. But the scheme is not “sudden”;

it goes back at least to a meeting on May 15 in Nashville, Tennessee among Kerkorian, his partner Jerome York, who is on GM's board, and Ghosn. It was proposed by Ghosn to Kerkorian, according to Kerkorian's lawyer, Terry Christianson.

Ghosn is an international version of the Robert S. "Steve" Miller who was brought in to run, bankrupt, and tear apart Delphi Corp., under a "strategic plan" developed for Delphi by Felix Rohatyn in 2005. Miller was a known quantity, having done the same wrecking previously to Bethlehem Steel, Federal Mogul auto parts, United Airlines, and Chrysler Corp.

Ghosn's arrival at Renault in 1997, and his promotion to Nissan CEO in 2000, were also due to a Lazard partner: François de Combret, a partner at Lazard New York during Rohatyn's tenure in the 1980s, and then managing partner at Lazard Paris. Representing Lazard, Combret planned the 1995 privatization of Renault from a state company. Then, as a Renault director, he brought Ghosn in to cut costs. Combret then planned the Renault joint partnership with Nissan, and Ghosn became CEO of Nissan. He got rid of more than 20% of Nissan's workforce between 2000 and 2004—something unheard-of in Japan's industrial economy—and used cost-cutting to drive Nissan's stock price into the stratosphere, even while the Nikkei average as a whole was falling. Today, Nissan, with about one-third as much global auto production as GM, has a stock market capitalization three times as high—\$48 billion vs. GM's \$16 billion!

Combret left Lazard last year in a dispute with its chairman, Bruce Wasserstein, but is still a power at Renault/Nissan, and at UBS Warburg bank. He got Renault's long-time CEO Louis Schweitzer to retire early, thus finally making Ghosn CEO of Renault, as well as of Nissan.

Mississippi Nissan the Model

A GM 20% "partnership" with Nissan/Renault would have to be approved by the Committee on Foreign Investment in the United States (CFIUS)—which was whisking the Dubai Ports deal through earlier this year—and by the Anti-Trust Division of Alberto Gonzales' Justice Department.

GM's board has apparently told CEO Rick Wagoner to meet with Ghosn in mid-July, over Wagoner's objections, and is going to order a study of the Nissan-Renault buy-in. Whether the board will go for the "partnership" or treat it as a hostile takeover, is not clear. But Kerkorian, with his Tracinda Corp. group of equity and hedge funds, is "playing" the GM shareholders, and may be able to use them to force the move. The big GM shareholders are private equity funds, with just a half-dozen of them (including Kerkorian) holding more than half the company's stock.

If GM's board, facing a "brutal Summer" of further deep auto sales declines, is driven by Kerkorian to go for the billions in cash and the chance of a credit rating above deep junk, look out for Rohatyn's and Steve Miller's Delphi writ large.

At Nissan's Canton auto assembly plant, Ghosn has al-



Nissan Motor Co.

The lizard from Lazard: Nissan/Renault CEO Carl Ghosn prepares to chew up GM's workers in a proposed merger of General Motors and Nissan/Renault.

ready carried out his globalization and low-wage plan for the U.S. auto industry: In a brutal human experiment on an 85% black workforce at Canton, Nissan is paying assembly workers \$9.50-\$12/hour, and making them work as "temps" for an agency for 18-24 months before they even enter Nissan's pay scale, never mind vesting any benefits. The Ghosn plan is also trying to make them produce an unprecedented five different models in one plant, and produce an unheard-of 400,000 total units a year. And WalMart-like, Nissan is pressuring its suppliers in Mississippi to remain, or become, non-union, with even lower-wages than his Canton plant.

A Nissan unionized worker in Japan (the majority is non-unionized) with 15 years' experience makes about \$40,000, plus performance bonuses; this is twice the Canton Nissan wage, but well below U.S. United Auto Worker standards.

Formula for Disaster

The claims Kerkorian is making for taking GM global, are being exposed since he floated his June 30 balloon. The ever-present debt-rating agencies, led by S&P ("Standard and Whores"), already on July 6 were making clear that a global "partnership" would not cause them to raise GM's deep-junk bond rating.

When Kerkorian's partner Jerome York was first pushed onto the GM board in February 2006, York pronounced at his first meeting that what GM needed was Carlos Ghosn's management technique, because Ghosn "sets clear financial targets"—that is, he cuts expenditures ruthlessly.

But Ghosn's methods at Nissan since 2000 are already running their course: Nissan sales have dropped precipitously in Japan in 2006, and seriously (by 14% thus far) in the United States, where their quality ratings have sunk toward the bottom of the pack.

Underlying this, but seldom discussed by "auto analysts," the auto industry is suffering falling sales worldwide, for the second year. There are exceptions—notably China, India, and Brazil—but they either have very small sales (India), or their sales are being "goosed up" by concerted government action to force prices down (China). Throughout the United States, Europe, and East Asia outside China, auto sales are falling because real wages are falling under terminal globalization.