

Westfall / Nader Interview W/ Perry Wright

Perry Wright Show – WTRX – Flint Radio

July 3, 1985 – Flint Night Line

Perry Wright- This is "Flint Night Line". Our guests tonight are Mike Westfall and Ralph Nader. They will be speaking on G.M. and taxes. G.M. says they have been unfairly taxed and they want tax relief. Should they get it? Well, consumer advocate Ralph Nader is going to tell you what he has to say about that. A little later in the hour, we will be talking to another gentleman whose name happens to be Mike Westfall who is chairman of the "Westfall Awareness Committee".

I've done some investigating myself today and I found out that G.M. is appealing 1982, 1983, 1984, and 1985 tax assessments in Flint. From what I can find out, there is no way G.M. was improperly assessed in the Flint area, but G.M. is trying for tax relief anyway, and it's to the tune of \$32 million. Hello, Mr. Nader. This involves more than just the Flint area, doesn't it, Mr. Nader?

Ralph Nader- Yes, it involves 20 Michigan communities including Genesee, Grand Blanc, Orion, Pontiac, and Warren. In Saginaw, G.M. is demanding 82% reduction in their property tax responsibilities even though they increased the value of their plants and have been getting property tax concessions in the last few years. So we are seeing here a real power grab and I think that not only homeowners but also small businesses in the Flint area are going to have to pay more in property taxes if G.M. gets away with its freeloading activities.

Perry Wright- I found out today that if we have to reassess G.M. and pay back certain monies that \$.66 of every dollar goes directly to schools, so the school system will hurt more than anything else and be the big loser.

Ralph Nader- That's right. G.M. keeps telling communities around the country where Saturn is being dangled that one thing we want in the community is a good education system. That's what we're looking for when we locate plants. But what does G.M. do? They push Flint to undermine the school's budget by reducing their property tax responsibilities.

Perry Wright- Whose fault is it that we are in the spot we're in?

Ralph Nader- The first level of fault is with the bully, G.M. If the people allow themselves to be bullied by G.M., and then they are, of course, going to be responsible for paying a higher level of taxes. It all started a few years ago, when Roger Smith, who won't come to Flint to have a town meeting with us, modernized some plants pouring hundreds of millions of dollars in these plants increasing value of the plants and therefore logically increasing the amount of property taxes these plants should pay as a result. In return, over the last few years, many Michigan communities have been easy on G.M. giving them 50% tax abatements on new equipment, 10-15% reductions on property taxes on top of this, G.M. comes back and says they want 82% reduction in Saginaw and over 60% in Warren. So, G.M. started it and I think G.M. is grossly underestimating the determination and the willpower of the people in Flint to say to G.M. "enough is enough".

If G.M. gets away with this, what's going to stop all of the other companies from saying the same thing and undermining further the money needed to make a community a nice place to live; that has firefighter services that are adequate, police services that are adequate, school services that are adequate. What's at stake here is the quality of life in the community and there is an old principle of American fairness that the double standard where the rich pay less and the poor pay more is not going to be tolerated. I would urge people listening to get in touch with Mike Westfall.

Mike is one of the most intelligent, farsighted autoworkers I've ever met and he has become an expert on the questions of automation and robotics.

Perry Wright- Mr. Nader, I've called Mike Westfall on another line and I want to get you two together.

Mike Westfall- Mr. Wright, Ralph is absolutely correct. There are fundamental changes occurring within General Motors today and G.M.'s demands for tax reductions are one of the major symptoms. In our country it is a privilege to do business and industry is one of our most precious assets, but not our most precious national asset. Our people and our communities are our most precious national asset. What it really boils down to is a question of power and who wins and who loses and pays the cost. If General Motors wins, then the implication is clear . . . it could be the end of the industrial tax base in Michigan.

Perry Wright- Mike, what do you think we should do in the Flint area?

Mike Westfall- Roger Smith is scared to death to meet anyone at a town meeting. We need to contact all of our mayors and politicians and do it in an organized effort. I realize that we don't want to get too far from this issue, but the tax reduction situation is just one symptom of Flint's affliction. General Motors is racing to automate. General Motors is racing to ship domestic jobs overseas to workers they are exploiting with low wages and all of these things are going to impact our communities in a manner and to a degree this country has never seen before.

Perry Wright- Mr. Nader, how does this affect the entire country?

Ralph Nader- There is a lot of large corporations watching G.M. in this situation in Michigan and outside of Michigan. If G.M. collapses, its industrial tax base responsibilities by these demands the other companies will say that Michigan will have to do the same thing. Ford will come into Dearborn where they have plants. Chrysler will come in. Georgia Pacific will come in, who knows maybe Dow Chemical will come in, and what happens is that then there will be a real crisis and the lawmakers in Lansing will say either we have to deteriorate the standard of living in Michigan, or we have to increase taxes on the little folks.

Perry Wright- Ralph, are we returning to the pre-union days when it comes to dealing with management?

Ralph Nader- You're right. In the depression years in the thirty's, G.M. kept pushing and pushing the workers and even though there was a depression, the workers said at one point "enough is enough" and they formed the U.A.W. and they got a measure of dignity and a higher standard of living. It's like Roger Smith in his skyscraper in Detroit surveying his domain and saying, "look whatever we have the power to do we're going to do."

Perry Wright- I have to ask myself, why a company that makes multi-billions of dollars per year is even interested in saving \$32 million?

Ralph Nader- Cold blooded calculated bucks which all drain into one large vat, which might possibly be used to further export jobs with foreign auto links to import foreign autos with G.M. brand names. That's what's going on. It's not only that they are taking money from Flint, but also they are using money to invest overseas to displace jobs. That's what Mike Westfall studies and his conferences have been pointing out.

Perry Wright- Mike, does this mean then that while we are being told to buy American, G.M. is buying Japanese?

Mike Westfall- Absolutely, but more than buying, they are linking up with foreign companies. It's quite interesting that today the new issue of Wards Auto World came out and the results of our Awareness Committee's work was evident. Members of my committee attended the last G.M. stockholders meeting and I faced Roger Smith with some critical social impact questions of his direction of General Motors. I criticized him and General Motors for allowing the exploitation of the G.M. Mexican autoworkers with such a low wage and this criticism was picked up by Wards Auto World. I'd like to read a small Roger Smith quote from the magazine. It says-G.M. buys breakfast for its Mexican workers, and I quote, "to keep them from going hungry". I'm surprised that Wards Auto World would print it, but it did and Roger Smith himself substantiated it. What we are talking about were the Mexican "Maquila" workers. That's the free trade zone workers just south of the American border. They make on the average \$ 0.72 per hour and they cannot even afford the costs associated with going to work . . . the transportation, or clothing costs.

Perry Wright- So, in other words, they can't even buy the automobiles they are helping to manufacture?

Mike Westfall- Absolutely not. Let me give you an idea of some of the other foreign autoworkers pay rates. The Chrysler Korean autoworker makes \$2.00 per hour, the South African skilled autoworker \$1.27 per hour, the Philippine autoworkers \$2-3 per day, and the Mexican autoworkers range from \$ 0.72 per hour in the "Maquilla" plants up to about \$4.00 in the other plants. In June of 1981, I participated in a world council of unions and I saw and heard a G.M. Brazilian autoworker with tears running down his face that said to those who think \$1.80 per hour was a living wage in Brazil, I want you to know that it inspires religious belief because only God knows how I can support my family on \$1.80 per hour. He, also, said that because he was there telling us what it was like to work for G.M. in Brazil that he might never see his family again. This man was for real. What's happening is these companies are racing to ship American jobs off shore to exploited workers paid shamefully low wages and then using these workers as unfair competitive examples of how American workers are overpaid. Then American workers are forced into concessions which do what? They set a national trend where teachers have to take concessions, meat packers have to take concessions, bus company workers have to take concessions, and grocery store workers have to take concessions. Just how far do we want our communities standard of living to slip, while G.M.'s Roger Smith makes hundreds of dollars per hour in record bonuses. G.M. is making \$4.5 billion in profits . . . something is wrong.

Perry Wright- Ralph is G.M. the only major company doing this to other countries or is some of the other auto companies just as guilty?

Ralph Nader- They are all going to what Mike called global sourcing. They are trying to import more parts from low labor areas around the world. If this continues, Mr. Wright, we are going to see the auto companies, led by G.M., try to reduce the standard of living in Michigan to the lowest common denominator. Every time Roger Smith opens his mouth on these issues he says he has to do it to keep up with the Japanese competition.

Perry Wright- So, it comes right on down to us. The working man and woman are going to have to foot the bill and the big guy gets away free. Mike, do you have any comments?

Mike Westfall- Yes, before we get away from overall G.M. restructuring issues. In 1910, 48% of the total U.S. workforce was on farms. In 1969 only 5% were on farms. We shouldn't kid ourselves, the same thing that happened in agriculture and the same thing that happened in mining is now happening in the premier auto industry and jobs are going to be lost by the hundreds of thousands and the next generation is the generation that is going to be paying the social costs in the form of restructured away middle income employment opportunities.

Perry Wright- Gentlemen, we are going to open it up to questions. Hello, Frank you're on the air.

Frank Beardsly- Mr. Nader, I'm a member of Mike Westfall's Awareness Committee. It seems that G.M. has singled out Flint to make Flint a model for what they intend to do the rest of the country. Whether it wins or fails, they could walk away and leave us with a huge tax burden. Do they target Flint as a special city?

Ralph Nader- It's worse in Michigan, but we are finding they are doing similar things in Ohio. G.M. just drove a hard bargain in Tarrytown, New York. They intend to do this in over 140 localities all over our country and they want to say they did it in Michigan, that Michigan gave those reductions.

Perry Wright- Julie, you're on the air.

Julie- How can our communities fight back when there is a clear threat to take jobs away? How can we make the whole country aware of what G.M. is doing by pitting community against community when there is only one winner and that is G.M.?

Ralph Nader- When it comes to the amount of money involved here it's small potatoes for G.M., but it is a lot of money for Flint. G.M. is making hundreds of millions of dollars from Flint factories. Contact your mayor, your supervisor, write letters to your newspaper, and connect with Mike Westfall and his Awareness Committee. We have rights under our constitution for one reason . . . to use them. And if we don't use them someone else is going to abuse them.

Perry Wright- Lets talk to George.

George- What advantage does G.M. think they have by reducing the places they have employed? Doesn't that stop the workers from buying cars that they make? Why does G.M. want to do this if it threatens the people who will buy the cars?

Ralph Nader- They seem to be learning from these foreign companies. These overseas companies give their workers so little that the workers don't create the consumer buying power to build the economy. That was the genius of Henry Ford the first. In Michigan when he gave the workers about \$5 a day, remember, about 60-70 years ago, some said, "what are you doing giving \$5 a day on the assembly line when the average wage is \$2.50 per day"? Ford said if we give them \$5 a day they are going to be buying our cars, making Ford a bigger company. It seems like G.M. is learning a little bit too much of how corporations are operating in Korea, Taiwan, and Mexico and they want to import that kind of policy back here in the U.S.

Perry Wright- We're down to a couple of minutes, Mike, so why don't you give us your address so we can find out some of the things we can do to help you and Ralph in this fight.

<http://westfallmike.tripod.com>

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