General Motors threatens Dayton, Ohio plants

Larry Roberts
25 February 1998

The head of General Motor's Delphi Automotive Systems, J. T. Battenberg III, convened joint meetings of managers and union officials in Dayton, Ohio, in mid-February to inform them that two brake plants would be closed and 600 jobs would be cut at a third parts plant unless drastic measures were taken to improve profitability. The proposal affects nearly 4,000 workers in the Dayton area.

United Auto Workers Local 696 officials informed their members at a meeting February 13 that the company had taken initial steps toward the sale of the Wisconsin Boulevard (south) and Needmore Road (north) facilities, which employ 3,000 Local 696 members.

The third plant threatened with job losses is the Kettering suspension parts plant, represented by International Union of Electrical Workers Local 755. Battenberg gave the Kettering plant management and union officials 30 days to develop a "comprehensive joint improvement plan" to make the plant profitable or, he warned, 600 jobs would be moved to Mexico. 3,500 workers work at the suspension parts plant, which produces shock absorbers.

Delphi Automotive Systems, GM's auto parts division, has announced additional plans to sell or close operations in 1998 and 1999. GM Chairman John Smith plans to take Delphi public on the stock market next year. Company management, however, first wants to boost net profits to 5 percent of sales—an additional 2.8 percent. The division earned profits of $860 million last year, up 18.1 percent over 1996. The *Dayton Daily News* reported that the brake and suspension plants lost $50 million in 1996.

A leaflet issued by Local 696 claims that brake plant manager Ricardo Blazquez told union officials that the plant faced more losses over the next four years. According to the leaflet, Battenberg called the projected losses a mountain too high to climb, and directed Delphi Chassis Division General Manager Alan Dawes to "initiate discussions with the local union and international unions as to what a (sale) of the operations would look like."

The Dayton announcement is part of a national drive to make GM more profitable through closing plants, downsizing, obtaining further concessions from the work force, and, when none of that succeeds, moving jobs to less-developed countries. Despite record profits of $2.3 billion in 1997, compared to $333 million the year before, GM has earned Wall Street's disfavor with what the latter considers the company's inefficiencies. Unlike Ford and Chrysler, GM still produces its own auto parts.

The new threats to jobs in Dayton are an indictment of the UAW's corporatist policies and its record of betrayal. In March 1996, in a dispute over out-sourcing that threatened to shut down all of GM's operations, the 3,000 members of Local 696 walked out for 17 days. In the course of the strike workers discovered that, unbeknownst to them, the local leadership had signed a no-strike pledge to produce parts for Chrysler and Isuzu, and were instructing 300 workers to cross the picket line. Notwithstanding this strike-breaking the Dayton workers demonstrated their determination to fight for jobs, not primarily for themselves, but for the next generation.

To coax the rank and file back to work the leadership announced that it had wrung a promise from GM that it would create more than 500 jobs at the brake plant. Although the 1996 agreement called for a two-tier wage system, paying the new hires 80 percent of older workers' wages, the UAW, citing the jobs gain, claimed it had won a victory. The result of its policy is

© World Socialist Web Site

now clear.

At the same time as GM was making new threats against jobs in Dayton in February, the auto giant announced the closure of its Muncie, Indiana battery plant, affecting 350 jobs. UAW Local 489 in Muncie had previously agreed to fewer job classifications and the farming out of janitorial jobs. On February 21 Delphi announced that it had sold its Hot Coils Spring plant to the Walton Johnson Group, a firm based in Dallas.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site