Strike at GM parts factory shuts assembly plants

Jerry White
10 June 1998

The five-day strike by 3,400 workers at a General Motors metal fabricating plant in Flint, Michigan led to the shutdown of six assembly plants Tuesday, and could quickly cut the giant auto maker's production in half by next week due to a lack of parts. Negotiators for United Auto Workers Local 659 and GM met Monday but reached no agreement.

GM's assembly plants no longer maintain large inventories of parts and depend on just-in-time deliveries from its parts suppliers. The Flint Metal Center strike has cut off the shipment of hoods, fenders, doors and other parts for GM's top-selling pickup trucks and sport utility vehicles as well as some large cars, including Cadillacs. More than 16,500 workers at assembly plants in Orion Township and Flint, Michigan; Kansas City, Kansas; Moraine, Ohio and Oshawa, Ontario were sent home Monday and Tuesday. The strike also led to the closing of another GM parts facility and a Lear Seating plant that supply one of the affected assembly factories.

The strike could affect 18 of 32 GM assembly plants in the US, Canada and Mexico, as well as another metal fabricating plant in Pittsburgh within days. Analysts say the No. 1 auto maker could produce 12,000 fewer vehicles per day in North America, or more than half its total production. This could reduce GM's net earnings by $300 million per week.

Local 659 struck June 3 over health and safety, staffing, outsourcing and other grievances. The workers at the plant—whose average age is 50—must work with razor sharp metal sheets at high speed under the constant pressure to increase output. The company says it cannot save money using new labor saving equipment unless work rules are changed. One GM spokesperson said that workers are meeting their work quotas in less than eight hours, but get paid for the full shift. The company has complained that Flint has not kept up with its other 12 stamping plants, which increased productivity by 21 percent last year.

The UAW has accused the company of reneging on its pledge to invest $300 million in the Flint facility after the union assisted management in pushing up productivity.

Meanwhile, production of GM's redesigned full-size pickup truck began Monday at the company's Oshawa, Ontario truck plant. Before the strike began, GM took dies for the new truck from Flint Metal Center to another stamping plant near Mansfield, Ohio. Some workers at the Mansfield plant reportedly threatened their own walkout in support of the strike in Flint.

Despite the impact on GM's North American operations, the company's stock price on Wall Street has only fallen moderately. Analysts have said the loss of production is the necessary overhead expense needed to reduce labor costs and shave jobs as auto makers, such as Chrysler and Ford, have done with the assistance of the UAW. "General Motors is perceived as a multilayered bureaucracy that is very high-cost and very slow-moving," said analyst David Healy of Burnham Securities, Inc. "Any signal that this is changing through making plants more efficient or making the organization more flexible is welcomed on Wall Street."

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site