

Second GM strike in Flint, Michigan threatens to close operations of US automaker

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12 June 1998

Some 5,800 workers at GM's Delphi Flint East Complex went on strike Thursday night, joining their fellow workers at the Flint Metal Center who have been on the picket lines since June 5. The Delphi workers, members of United Auto Workers Local 651, are protesting GM's assault on jobs and the company's practice of outsourcing work from their factory to lower-wage nonunion parts suppliers.

Workers at the plant produce key electronic instruments, like speedometers and a variety of other engine components such as spark plugs and filters, used in virtually every vehicle the carmaker produces in North America. The seven-day strike by 2,400 workers at the Flint Metal Center has already led to the shutting down of 11 assembly plants and 20 GM-owned and independent parts plants from Michigan to Missouri, to Ontario, Canada to New Jersey. Nearly 25,000 workers have been put on temporary layoff due to a lack of hoods, fenders, doors and other parts produced at the Flint metal fabricating plant.

Analysts predict that another 10,000 workers will be laid off today and by next week the combined effect of the two Flint strikes could shut down all 32 GM assembly plants in the US, Canada and Mexico.



Striking workers at the Flint Metal Center

Workers at the Flint Metal Center, members of UAW Local 659, walked out over a series of local issues, including health and safety, understaffing, speedup and the outsourcing of jobs. In addition, the UAW has accused the company of reneging on its pledge to invest \$300 million in the metal fabricating plant in return for the union's collaboration in pushing up productivity at the plant. Management is demanding further work rule changes.

Faced with a global crisis of overproduction in the auto industry and a ruthless struggle for market share and profits, the world's largest automaker is carrying out a major restructuring of its operations. This includes the investment of billions in labor saving technology, slashing tens of thousands of jobs, selling off parts facilities and shifting production to lower-wage areas in the southern US and other countries. GM management has made no secret of its intention to shut plants if they do not meet productivity and cost-cutting benchmarks, and it has sought to use the threat of closures and layoffs to pit one section of workers against another.

Workers on the picket lines in Flint are most concerned about the company's assault on jobs and the conditions of speedup and overwork. In the past 20 years, GM has trimmed 297,000 hourly jobs from its US work force, cutting the overall number of jobs from 520,000 to 223,000. In Flint, the birthplace of both GM and the UAW, the company has cut employment from nearly 80,000 workers in the late 1970s to 27,000 today. Another 11,000 jobs in Flint are threatened, including 2,700 at the Buick City complex, scheduled to be closed in 1999.

Those workers left on the assembly lines are being pushed to increase productivity and are working longer hours than ever. This has led to an increase in heart attacks and injuries among a generally older work force. Many cannot afford to retire because they are supporting sons and daughters who cannot get a decent paying job.

The second walkout in Flint began the same day a leaked internal GM document revealed that the company is considering scrapping its small car assembly plant in Lordstown, Ohio, eliminating thousands of jobs, and shifting production to an ultra-efficient plant, possibly in Mexico.

Wall Street has been punishing GM for trailing behind other US automakers like Ford and Chrysler in slashing jobs and increasing productivity and profit margins. Investors have steadily undercut the value of the automaker's stock despite the bull market. CEO Jack Smith, who was put in power in 1992 through a virtual coup by the board of directors and wealthy investors dissatisfied with the pace of attacks on GM workers, has pledged to increase profit returns by cutting labor costs.

GM has now achieved a 10 percent return on its investment in equipment, up from 5 percent in 1994. Smith has set a corporate goal of 12.5 percent return on net assets, and plans to cut global production costs by \$4 billion this year. Last year GM reduced its costs by \$3.5 billion.

Wall Street has greeted GM's actions with approval and the company's stock values have only moderately declined since the beginning of the Flint strike. An economist from Comerica Bank said that even though the number one US automaker was losing \$7.9 million a day, "What is happening in Flint doesn't change the picture. Whenever this is settled, GM will simply

compensate by condensing the time frame for its restructuring and consolidation."

Since January 1994, GM has been hit with 23 local strikes by the UAW, the Canadian Auto Workers and the International Union of Electrical Workers. On the part of the workers these struggles express a determination to fight the years of concessions and worsening working conditions, and to defend the right to a decent paying job.

But the union leadership has proven incapable and unwilling to conduct a serious struggle. The UAW leaders are accusing GM of an "American last" strategy, saying that the company is destroying jobs in cities like Flint while shifting production to Asia, Mexico and Eastern Europe. This appeal to nationalism is aimed at diverting workers from a struggle against the companies and the profit system itself, as well as the labor bureaucracy which has collaborated in the destruction of workers' living standards.

Faced with a declining membership base and the loss of dues income, as well as the growing anger of the rank and file against the union leadership, the UAW officials have called these strikes to pose as defenders of the workers, while seeking to pressure the company to maintain the privileges of the union officialdom. These strikes have ended up with agreements that have done nothing to defend the job security and interests of workers. In 1996 the UAW hailed as a victory its 17-day strike at GM's Delphi Chassis brake plant in Dayton, Ohio, which led to the shutdown of the company's North American operations. The following year GM announced plans to close one of the two plants in the brakes complex and eliminate 600 or more jobs, and is proceeding accordingly without any opposition from the UAW.



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