The Bracks government and unions help Ford Australia axe jobs

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Ford Australia's announcement on November 3 that it will axe 640 permanent jobs in Victoria has exposed the fraudulent claims by state and federal governments to have created "economic development" and a "jobs recovery".

The job cuts represent 10 percent of the company's 5,500-strong workforce at its plants in Broadmeadows and Geelong, near Melbourne. As well as slashing 450 blue-collar and 190 white-collar jobs by the end of the year, Ford will destroy 150 contract jobs and redeploy 200 employees to other areas.

Coming just before Christmas, the decision is not only a terrible blow to Ford workers and their families, but will compound the social crisis in the neighbouring working class suburbs. Broadmeadows has an official jobless rate of 13.4 percent, far higher that the national rate of 4.8 percent.

The Howard government in Canberra, in partnership with state Labor governments, has already presided over the destruction of tens of thousands of manufacturing jobs over the past decade. Another 50,000 manufacturing jobs are expected to be destroyed over the next 12 months. The only "jobs growth" has been in the vast expansion of poorly-paid, part-time and casual positions.

In Victoria, Labor Premier Steve Bracks has been at the forefront, living up to his promise of heading a "business-friendly" government. The Ford decision has demonstrated what this means: bending over backward to provide assistance to major corporations and investors at the expense of the jobs and living standards of ordinary working people.

While public schools, health care and other facilities in working class areas like Broadmeadows are starved of funds, the federal and state governments have handed out billions of dollars in business tax cuts and financial incentives. In May, the Howard government announced a $52.5 million hand-out to Ford for a research and development facility in Victoria. Bracks promised to match Canberra dollar for dollar.

Ford blamed the latest round of jobs cuts on a slump in sales of larger vehicles due to high petrol prices. The decision followed a company report showing a decline in annual revenue, the first in five years, by 2.5 percent to $3.89 billion and a 4.4 percent fall in vehicle sales to 129,200 cars and trucks.

The sales downturn may be the immediate pretext, but the Ford Australia cutback is part of a vast ongoing restructuring of the company and the auto industry internationally. Ford, a huge global corporation, plans and organises its production for the international market, of which Australia is one small component. Its parent company announced plans in September to wipe out 44,000 jobs and close 16 plants in the US.

Clearly a move in Australia has been under discussion for some time. Ford Australia announced in October that it intended to reduce daily output from 450 to 360 vehicles by November 20. Company president Tom Gorman told the *Australian* that Ford would not "be able to avoid right-sizing... if demand doesn't pick up". He claimed Ford was "working through all our alternatives" and "would not be taking a slash and burn mentality".

The workforce, however, has been deliberately kept in the dark. Ford is intent on ramming through the job cuts as quickly as possible and using the opportunity to bludgeon the remaining employees into boosting productivity and cutting costs even further in the vain hope of securing their jobs. No doubt the choice of the pre-Christmas period was also deliberate, with workers under financial pressure not to take industrial action.

Above all, Ford is relying, as on previous occasions, on the assistance of the Bracks government and the trade unions to implement this "right-sizing" with as little disruption as possible. Neither Labor nor the unions breathed a word about the impending job cuts, even though they were aware of the company's plans.

State Treasurer John Brumby represents the Broadmeadows electorate in parliament, but issued no warning and has no intention of trying to prevent the job losses. On the contrary, he assured the remaining workforce: "Ford is in a strong position going forward. They've committed to $1.7 billion worth of new investment... Ford is very confident of their medium-term position in the market." Workers should treat these comments with the disdain they deserve.

In May, Bracks visited the Ford Broadmeadows plant, hailing the bright prospects for employees and local suppliers of Ford's new research and development projects. Sounding like a

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company spokesman, he declared: “The $1.8 billion investment by Ford over the next 10 years will secure Ford in this state as well as provide enhanced security for the company’s current 5,000 workers in Victoria.”

The Australian Manufacturing Workers Union (AMWU) has also played a disgusting role. Responding to Ford’s announcement in October, AMWU vehicle division federal secretary Ian Jonesplayed down the possibility of major job losses. “It hasn’t been determined that there need be any jobs cuts... some voluntary redundancies are likely but we’ll be working to see that anyone who needs a job can keep a job.”

Not surprisingly, following the Ford announcement, the union has announced no campaign to defend jobs, even though job losses may well be pending at other car plants. Significantly Toyota recently announced a 22 percent drop in earnings.

As in every other case, the AMWU will collaborate with Ford management in suppressing any resistance and ensuring workers are out the door as smoothly as possible. The union leadership’s main concern is to retain its place as an auxiliary of management in the continual drive for productivity and profits. It is also anxious to ensure that the issue does not become an embarrassment for Labor prior to the November 25 state election.

Commenting on Ford’s decision, AMWU national secretary Doug Cameron stated: “It’s quite clear that the car industry in Australia is under particular pressure, it’s under pressure from globalisation... it’s under pressure because of the logistics and structure of the industry.” As for auto workers whose jobs are going or under threat, his only answer was: “There needs to be more innovation.”

It is not the lack of “innovation” that around the world is destroying millions of manufacturing jobs, closing plants and laying waste the productive forces—including the most essential of all, the working class. The source of the crisis lies in the anarchic operation of the capitalist system, in which production is carried out solely to generate massive corporate profits, not to meet needs of working people.

Cameron declares that “globalisation” is the problem. But the globalisation of production—based on extraordinary “innovations” in science, technology and productive technique—has established the objective basis for a rationally-planned world economy that could dramatically improve the lives of all.

Under capitalism, however, and the constraints of private profit and the nation-state system, the opposite has taken place. Giant global corporations like Ford scour the globe for ever-cheaper sources of labour, and aided by the government and trade unions, pit workers in one country against those in other countries in a relentless drive to cut labour costs and boost profits.

Ford, the unions and the Bracks government present the jobs losses as inevitable so as to pressure workers into accepting voluntary redundancies. But they are only inevitable if workers accept the profit system as a permanent and unassailable reality and do not challenge the prerogatives of management. The destruction of jobs and winding back of production will have an impact not just on Ford workers in Broadmeadows and Geelong but on suppliers and parts manufacturers and in the broader community.

It is time to take a stand. Ford workers should reject voluntary redundancies and wage a campaign to defend all jobs. Selling off jobs via redundancy packages has far-reaching consequences. First, it immediately undermines the position of workers in other car plants and industries confronting job losses. Second, it has a long-term impact on the future of youth. The fact that young people in Broadmeadows and other working class suburbs face a life of unemployment and dead-end jobs is a direct consequence of the demolition of permanent jobs in factories like Ford, facilitated by the unions through redundancy payouts.

A first step in opposing Ford’s plans is to organise meetings of workers to map out a campaign against the job cuts. This will necessarily involve reaching out to workers in other vehicle plants, in parts manufacturers and right across the manufacturing industry, all of whom are facing the same attacks. Such a campaign will inevitably involve a political struggle against Ford management, the Bracks government and the trade unions.

A stand by Ford workers would resonate throughout the working class, not only in Victoria and Australia, but in the US and internationally, where jobs and livelihoods are also being savaged. What is needed is a new perspective and a new mass party to unify workers around the world to fight for the reconstruction of society to meet the needs of working people, not those of the corporate elite.

The Socialist Equality Party is standing in the Victorian state election to fight for this socialist and internationalist perspective. We urge all workers and young people to study our program, attend our election meetings and participate in our campaign.

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