

Australia: Unions refuse to fight GM's latest plant closure

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17 June 2008

Earlier this month, General Motors Holden announced it would cease production at its 27-year-old four-cylinder Family II engine plant at Fisherman's Bend in Melbourne by the end of next year, eliminating 513 jobs and many more in related workplaces.

The Holden decision reportedly came after Daewoo in South Korea, another GM subsidiary, said it would stop using the engine in its car production after 2009. It follows a series of downsizings by Holden in Australia, including 600 job cuts at its Elizabeth plant in northern Adelaide in March 2007, and the axing of 200 jobs at its Fisherman's Bend plant at the end of 2006. In September 2005, the company announced plans to slash 1,400 jobs at the Elizabeth plant. In less than three years, it has reduced its Australian workforce by almost a third—GM now employs about 3,100 people in Victoria and 6,500 nationally.

GM's cuts are part of a broader decimation of what remains of the car industry in Australia. Ford announced last year it would axe up to 600 jobs at its Geelong plant, starting in 2010, after slashing 640 jobs at its Broadmeadows facility at the end of 2006. In March this year, Mitsubishi closed its remaining Australian assembly plant, in Adelaide, at the cost of nearly 1,000 jobs.

As the car industry unions have done in every case, they verbally protested the latest Holden job losses, while making clear they would conduct no campaign to defend jobs or challenge the company's plans. Australian Manufacturing Workers Union (AMWU) car division federal secretary Ian Jones said Holden's decision would cause "workers and their families significant hardship" but offered no alternative, declaring instead he wanted to "negotiate with Holden over starting other manufacturing".

Jones said he was "disappointed" the company had not waited for the outcome of an inquiry into the car industry, commissioned by the federal Labor government and headed by former Victorian Labor Premier Steve Bracks, who is due to hand down the findings in July. "You would think at least the company could have held off to see what came out of the inquiry," Jones complained.

Among the issues the inquiry is considering is the scheduled cutting of tariffs on overseas-produced cars from 10 percent to 5 percent, due to take effect in 2010. The country's three remaining car makers, Holden, Ford and Toyota, are pressing for a tariff cut delay until 2015 and pushing for the continuation of multi-million dollar government assistance packages.

The car unions, for their part, are hoping the Bracks inquiry will lead to the establishment of a tripartite framework of government, employer and union representatives to ensure that the unions have

a key role in the further restructuring of the industry—that is, in overseeing "orderly" plant closures and retrenchments. They have performed this function over the past two decades, since the previous federal Labor government's radical downsizing of the industry under the 1980s "Button plan".

AMWU national secretary Dave Oliver welcomed the Bracks review when it was announced in February, declaring: "It gives us a good opportunity to sit down now with all the key industry players to start mapping out and putting a plan for the sustainability of the automotive industry for the next 10 to 20 years."

Union-brokered severance deals have already enabled Holden, Ford and Mitsubishi to eliminate an estimated 8,000 jobs over the past five years. The unions have repeatedly headed off industrial action and urged workers to take "voluntary redundancies".

Oliver said the Holden announcement highlighted the need for another "government plan" for the industry. "We have to, as a nation, start looking at what kind of vehicles we'll be driving over the next 10 to 20 years and positioning ourselves to be the producer of those cars, not only for the domestic market but to be in a position to be exporting them around the globe."

When Oliver speaks about "we, as a nation", he is promoting the fraud that the interests of workers and those of the auto companies are the same. This is the same nationalist outlook that the unions have pushed for the past 25 years, justifying job losses and the destruction of hard won conditions by claiming that workers must make their "own" employers "internationally competitive" against workers in other countries.

The closures and layoffs in Australia, however, are part of a global assault on jobs and wages throughout auto, the airlines and other basic industries. Recent weeks alone have seen American Axle, a GM spin-off company, halve wages and shut down US plants with the assistance of the United Auto Workers Union after a three-month strike, and GM move to shut a plant in Oshawa, Canada.

At the beginning of June, Ford announced it would slash its 2008 North American production of pickups and SUVs from 630,000 to 350,000 vehicles, leading, already, to downtime at five of Ford's seven truck plants. In March, BMW announced the elimination of 8,000 jobs in Germany, and GM Europe said it would cut 5,000 jobs in Belgium, France, Spain and Germany.

The unions' perspective serves to pit car workers in Australia against their brothers and sisters internationally, and results in a

never-ending downward spiralling of conditions. In order to fight this global offensive, workers need to break from these pro-company unions, unite with their fellow workers around the world and build new organs of struggle, based on an international program to reorganise economic and political life in the interests of working people, instead of the profits of the tiny corporate elite.

The car unions are determined to prevent any conflict with the Rudd Labor government, which has been fully complicit in the GM announcement. Industry Minister Kim Carr claimed the government was “saddened” by the closure but immediately moved to quash any fight to defend the 513 jobs, saying the “government will work with the company and unions to ensure workers’ [retrenchment] entitlements are paid in full”.

According to media reports, GM informed the government three weeks earlier it was considering the plant closure but Rudd Labor deliberately kept workers in the dark. Both it and the unions are intent on convincing workers to accept the downsizing as inevitable in order to ensure that not just this closure, but future layoffs, proceed unopposed.

The Rudd government played a similar role when Mitsubishi closed its remaining Adelaide plant in March. Prime Minister Kevin Rudd joined the South Australian state Labor government to establish a \$50 million “assistance package”, supposedly to “retrain” displaced Mitsubishi workers and find them alternative work. At the same time, the unions negotiated a slightly improved redundancy package to get workers out the door.

The claims that displaced workers would find alternative jobs were a cruel deception. A report based on research by Flinders University shows that almost half the retrenched car workers interviewed remain unemployed, working part-time or casual, or had retired. Of these, over 70 percent said they wanted full-time jobs, while 30 percent of those who had retired would have preferred to be working. Among the Mitsubishi workers laid off two years ago who found work, 71 percent earned less money than previously.

Rudd is holding out the hope that Australia could host a new “green car industry” and has announced a \$500 million fund to be dished out to car manufacturers that commit to the scheme. While in Japan last week, he announced that Toyota would receive \$35 million to assist production of a new hybrid car at its Altona plant from 2010. A Toyota spokesman, however, said the company had already planned to build the car before Rudd announced the subsidy. Despite the handout, the decision will do little to provide jobs for unemployed car workers—Toyota plans to build just 10,000 of the new vehicles each year.

Speaking on ABC Radio, Rudd gave an indication of just what the future holds for car workers when he praised the Hawke government’s Button car plan, saying it “transformed a domestically protected industry into a major export business for Australia,” and declared, “let’s take it to the next stage”.

The Button plan was part of the program of economic deregulation carried out by the Hawke-Keating Labor governments between 1983 and 1996. It sought to open up the Australian industry to global competition and enforce “consolidation,” which included the rapid reduction of the number of car models produced in Australia from 13 to 8.

“Consolidation” facilitated massive job shedding, the continuous slashing of working conditions and a raft of plant closures, while the companies received export subsidies and other handouts to produce components (such as engines) for overseas assembly lines. At its peak, the Fisherman’s Bend plant turned out 1,500 engines a day. Of the 4.8 million engines produced at the plant since 1981, some 4.4 million were exported.

As with the current government assistance to the car industry, worth around \$1.1 billion a year, Rudd’s green car fund will be another mechanism to pump hundreds of millions of dollars into the coffers of the auto giants while at the same time driving up productivity, shutting more facilities and shedding further jobs.

Even as GM was announcing the Fisherman’s Bend closure, there were signs it was positioning itself to exploit “green car” subsidies. Holden chief executive Mark Reuss told the media last week that the company was “taking a leading role in alternative technology,” including “ethanol, dedicated LPG engines and hybrid”. None of this has anything to do with protecting the environment; it is about boosting profits—at workers’ expense.

The fact that the unions are seeking to tie workers to these schemes, amid the ruins of the past two decades, highlights the collapse of the entire trade union perspective of trying to reform capitalism within a national framework.

The vast technologies and resources of the car industry—the product of the collective labour of millions of workers worldwide—cannot be left in the hands of corporate boardrooms. To provide decent and environmentally-sound mass transportation for society, and preserve the livelihoods of those who work in the industry, it must be placed under public ownership and the democratic control of working people, as part of the establishment of a planned, socialist economy.



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