

Oppose the Ford Australia shutdown

Patrick O'Connor, SEP candidate for Melbourne
16 June 2012

The Socialist Equality Party calls on workers to oppose Ford Australia's preparations for a lengthy shut down of production next month, and to initiate an independent industrial and political campaign across manufacturing industry to defend jobs, wages and conditions.

Last Wednesday, executives told Ford's 1,800 workers at the company's two Australian plants, in the regional city of Geelong and the northern Melbourne suburb of Broadmeadows, not to come to work from July 6 to 16 and again on the two days of July 20 and 27. This follows a similar shutdown over six days last April, after the collapse of a small car component manufacturer, CMI Industrial. Workers will again have their wages cut in half while they are effectively locked out. Ford has also foreshadowed more layoffs in the future as part of its strategy to permanently lower production levels.

The company is attempting to make its workforce bear the brunt of its sweeping restructuring, which forms part of the ongoing reorganisation of the international auto industry triggered by the eruption of the global economic crisis in 2008.

In the Australian car industry, large segments of productive capital now lie idle. Total production by the three transnational car makers in the country—Ford, General Motors Holden and Toyota—plunged from 335,000 in 2007 to just 220,000 last year. A further significant decline is expected for 2012.

The production slowdowns have triggered one layoff announcement after another. The vehicle industry and associated components manufacturers now employ just 60,000 workers. In the late 1980s, more than 10,000 workers used to work for Ford Australia alone. Now less than one-fifth of these remain. Ford imposed 880 sackings in 2008, and another 240 in 2010.

Toyota sacked 350 workers last April, about 10 percent of its total workforce, after the company's CEO declared that

production rates would never return to the pre-2008 levels. Without any prior notice, security guards pulled workers off assembly lines and work areas mid-shift. Those targeted were transported in vans to a neighbouring building where they were told they had failed to meet select "performance" criteria and then escorted off the premises. The entire procedure was aimed at intimidating the remaining workforce. It later emerged that trade union officials had helped Toyota management draft the "performance" criteria used as the pretext for the sackings.

General Motors Holden has slashed more than 1,500 jobs in the past six years from its plants in South Australia and at Melbourne's Fisherman's Bend. Earlier this year the company threatened to shut down all production in Australia.

The layoffs have a devastating effect. Many of those sacked are older workers with highly specialised skills that cannot be easily utilised outside the car industry. Moreover, there are virtually no manufacturing jobs to be found. The mass retrenchments in the car industry form part of a wider decimation of Australian manufacturing. The Greens-backed minority Labor government of Prime Minister Julia Gillard has utilised the appreciating Australian dollar to eliminate entire sections of "uncompetitive" industry as a way of redirecting capital into the highly profitable mining industry.

More than 130,000 manufacturing jobs have been destroyed nationally since 2008. Many working class areas have been left devastated. The most recent available unemployment data for Broadmeadows, where Ford's main plant is located, showed that the official jobless rate was 15.9 percent in mid-2010. The figure is undoubtedly even higher now.

Car workers in Australia, like their counterparts internationally, are prime targets for the ruling elites as they seek to find a way out of the worst economic crisis since the 1930s by drastically lowering the living standards of the working class.

In the US, auto workers used to be among the best paid layer of the working class. It is a very different story now. In 2009, the Obama administration and the United Auto Workers union (UAW) coordinated a “managed bankruptcy” of GM and Chrysler that saw wages for new hires cut in half, to as little as \$14-\$15 an hour. Strikes were banned for six years, 35,000 jobs were eliminated and other regressive concessions forced upon the workforce to boost profit rates. This has proven such a “success” that the Obama administration now boasts of “in-sourcing”—the US has become the world’s new low-wage manufacturing platform, with production relocated there from Latin America and Asia.

The benchmarks set in the US must now be matched and beaten in every advanced capitalist economy—including Australia. The auto giants collude with the trade unions and governments to pit workers against one another, destroying jobs and driving down wages to sweatshop levels in the name of ensuring “international competitiveness.”

In Europe, General Motors’ subsidiaries Opel and Vauxhall are among several auto producers working with the trade unions to demand ever greater concessions, as they threaten to shut down plants in Germany and move production to lower cost plants in Britain and Poland. In China, Thailand, India and other Asian countries, car workers endure poverty-level wages, dangerous working conditions and constant demands for further productivity speed ups.

At the centre of the Socialist Equality Party’s campaign in the Melbourne state by-election is the struggle for the international unification of the working class. In the car industry, workers must oppose all attempts to divide them by nationality and instead fight to develop the closest collaboration across national borders in defence of jobs, wages and working conditions.

Car workers in Australia confront a joint enemy in the car companies, the Labor government and the trade unions. Corporate executives, ministers and union bureaucrats collaborate regularly on various tripartite bodies behind closed doors, working out the latest production shutdowns, mass layoffs and other attacks on workers. As in the US and internationally, union bureaucrats are well-off members of the upper-middle class. Their privileges derive from their role as industrial policemen on behalf of the companies, imposing production shutdowns, productivity speedups, the elimination of jobs and the lowering of wages.

At Ford, the Australian Manufacturing Workers Union (AMWU) has agreed to help enforce next month’s production shut downs. They are now in discussions with management to work out future layoffs. As at Toyota and GM Holden, every previous round of sackings by Ford has been worked out in advance with the unions. In 2010, the union rammed through a regressive enterprise agreement covering Ford workers that included a wage freeze.

Workers cannot take a single step forward within the trade union straitjacket. Workers require new forms of organisation, including independent rank-and-file committees that can organise and take forward a struggle against the layoffs and production shutdowns through factory occupations and other measures.

This industrial campaign can be successful only to the extent that it is guided by a revolutionary socialist strategy, directed against the Labor government and the profit system itself. The alternative to capitalism is the struggle for a workers’ government that will nationalise the banks and major industries, including the car industry, under the democratic control and public ownership of the working class, as part of the socialist reorganisation of society.

The SEP’s campaign in the Melbourne by-election forms part of the fight to build the new political leadership required to take forward this perspective. I urge all workers to actively support and participate in our campaign.

Authorised by Nick Beams, 113/55 Flemington Rd, North Melbourne VIC 3051



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact