

# Magna International closing its Syracuse, New York auto parts plant

Eli Steven  
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The remaining 406 out of 1,400 workers in 2009 at the New Process Gear plant (NPG) in Syracuse, New York, will be thrown out of their jobs by the end of the month as the plant is closed and production moved to Mexico. The factory, owned by Magna International, manufactures transmission parts and transfer cases for SUVs and light-duty trucks.

The membership had voted down a reopening of the less-than-year-old contract to further concessions in February 2009. In a second round of voting, workers in March voted to reject Magna demands to cut wages to \$16 per hour. The earlier agreement had previously slashed wages from \$29 to \$20 per hour.

The UAW pleaded with company officials for any meager concessions for a second vote to occur. At no point in the negotiations were there any solid guarantees of job security.

NPG began manufacturing auto parts in the Syracuse area in 1913. The factory was acquired by Chrysler in the 1950s. At its peak, the plant employed more than 4,000 workers in 2002. Magna, headquartered in Canada, has more than 100,000 workers worldwide. The company purchased the NPG plant in 2004.

Last year, Magna reported record profits at more than \$1 billion, while CEO and founder Frank Stronach's salary was \$60 million. For the second quarter of this year, the company hauled in \$349 million in profits, shattering previous earnings, and said it was anticipating full-year sales of at least \$29 billion.

The Obama administration's forced bankruptcy of GM and Chrysler in late 2008 marked a turning point for the Syracuse plant. Obama demanded concessions from the workforce industry-wide as part of the so-called auto bailout. The UAW bureaucracy, throwing its full support behind the policy, insisted that deep cuts to wages and benefits were the only way to save jobs

and boost American capitalism over international competitors. The restructuring left 20,000 US auto workers jobless.

The auto bailout served as the occasion for Magna to reopen the prior settled contract looking for givebacks from workers.

UAW officials were rewarded for colluding in such attacks with part ownership in the companies and oversight of billions in worker health and pension funds. Union leaders have been integrated into the wealthy circles, rubbing elbows with executives and politicians. The divide between the interests of the union and its rank-and-file is sharply defined in the terms of compensation. UAW president Bob King hauled in \$176,700 last year, nearly six times what a new auto worker will earn annually.

Such financial interests serve as a strong incentive to the unions to participate in drastically cut labor costs, primarily through the introduction of the two-tier wage system. The NPG plant by itself was never a match against the policies of the Obama administration and UAW.

While NPG workers saw through the blackmail of tying wage-cutting to job security and rightly rejected it, the union blocked their ability to fight it. The Syracuse workers, isolated and trapped under the domination of the Democratic Party-oriented union, are being punished for their militancy. They are being made an example to other workers who dare to challenge corporations and the union leadership.

A long pattern of union betrayal underwrites the present situation. The UAW and AFL-CIO have systematically undermined and isolated struggle after struggle over the past three decades. The betrayal of the 1981 air traffic controllers union (PATCO) strike was the signal to big business that attacks on workers would

be tolerated by the AFL-CIO's ruling bureaucracy.

In the period since, the attacks on industrial workers have served as a battering ram against living standards of the working class as a whole. The onset of the economic crisis in 2008 provided a pretext to substantially escalate this offensive.

In the automotive industry, union leadership long collaborated with auto makers. The UAW blessed the move to fracture industrial operations and spin off parts makers like Delphi from GM. This facilitated greater profit through a number of avenues including the reduction of corporate tax outlays and liability. Wage reduction, however, was the primary goal.

The result was devastating on the workforce: A union parts worker in 1980 was paid 15 percent lower than his or her fellow workers at assembly plants. In 2000, this wage difference ballooned to 31 percent. This widening gulf in wages has been used, in turn, to open new attacks on wages worldwide.

In the Syracuse area, the impact of the plant closure caused the unemployment rate to shoot up by nearly 1 percent in a single month, to 9 percent in June. NPG workers face a difficult job market, as most good-paying manufacturing jobs no longer exist in the area.

A recent press conference was held at the UAW local 624 hall in Syracuse, which represents NPG workers. New York's Democratic senator, Kristen Gillibrand, put in an appearance to campaign for a tariff scheme. The senator and the UAW insisted that protectionist measures would prevent factory closures. Attempting to stoke nationalism and anti-China sentiment, the senator said that China grants generous subsidies to its auto parts industry, to keep its exports artificially inexpensive.

Gillibrand did not speak to the lowering of living standards for workers in the US and internationally, or how corporations are making record profits at the same time. Indeed, Magna is among the many companies that have increasingly subcontracted work to China and elsewhere to exploit low-wage labor.

UAW officialdom has long peddled nationalism in order to keep workers across borders from unifying to fight ruthless multinational corporations like Magna International and other multinational auto makers.

To move forward, workers must consciously oppose such policies and the organizations that promote them. This requires a break with the Republicans and

Democrats—who represent only the big capitalist interests—as well as their lackeys in the AFL-CIO leadership. Workers must independently organize across national borders with their class brothers and sisters if they are to defend their living standards and jobs.

*The Socialist Equality Party has placed the fight for the international unity of the working class as the center of its program. The SEP is intervening in the 2012 presidential election by running candidates—Jerry White for President and Phyllis Scherrer for Vice President—to provide a socialist alternative to the parties of big business, austerity, and war. To learn more, visit [socialequality.com](http://socialequality.com).*



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