A socialist strategy to defend car industry jobs and wages

James Cogan and Peter Byrne–SEP Senate candidates for South Australia
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The jobs of 1,600 workers at the General Motors Holden (GMH) plant in Elizabeth, South Australia, along with those of thousands of workers in related industries, hang in the balance. Last month, managing director Mike Devereux declared production in Australia was not "internationally competitive" or sufficiently profitable, and issued an ultimatum to the workforce to accept drastic pay cuts, or GMH would follow Ford and shut down. Ford announced in May that it will close its two plants in Melbourne and Geelong in 2016, directly destroying 1,200 jobs and thousands more indirectly.

GMH's threat has now escalated. Yesterday, according to the *Australian*, the company notified the Labor government that it wants federal and state government subsidies, already promised over the next three years, to be nearly doubled, from $275 million to some $540 million. Without such a hand-out, and without workers voting at meetings later this month to accept wage cuts of $200 per week, or 20 percent, GM's headquarters in the US will reportedly announce the end of operations by September.

For days, the state and federal governments together with the unions have huddled together with GMH management behind closed doors to hammer out a sell-out deal that will meet the company's demands at the expense of workers. By deliberately keeping them in the dark, the unions are seeking to sow demoralisation and confusion among their members, in preparation for imposing a new round of cost-cutting.

What is taking place at GMH is a foretaste of the anti-working class agenda outlined by Prime Minister Kevin Rudd in his speech to the National Press Club yesterday. His response to the sharp deterioration of the Australian economy was to call for a new partnership between the Labor government, big business and the unions to work together to drive up productivity through the relentless restructuring of workplaces throughout the country.

Industry Minister Kim Carr, who has been in talks with GMH, declared this week that the Labor Party was committed to the car industry. What this commitment means, however, is the Rudd government will do whatever it takes to ensure the profits of GMH. Any additional government funding will be conditional on driving up productivity—that is, the exploitation of workers. As on every previous occasion, the unions will enforce whatever is decided—job losses, wage cuts, speed-up, or, as in the case of Ford, plant shutdowns.

GM workers in Australia and around the world are facing the same devastating attacks. As the global economic crisis deepens, and car sales plummet internationally, the transnational corporation is seeking to maintain its profits by slashing jobs, wages and conditions. A company source told the media today: "If the workers vote no (to pay cuts) we will shut it down. Just look at what General Motors did in Germany. Workers said no to wage cuts there and that particular factory is closing next year." The reference was to GM's Bochum plant, which is the first car factory slated for closure in Germany since World War II, with 3,300 jobs to go.

GM's benchmark is the 2009 "bail-out" of the auto industry, carried out by the Obama administration in collaboration with the United Auto Workers (UAW) union. To restore "profitability" to GM, Ford and Chrysler, Obama and the UAW bludgeoned American car workers into accepting wage freezes, the closure of dozens of plants, the loss of tens of thousands of jobs, longer shifts and the creation of a two-tier wage system, under which pay for new hires was halved to less than $15 an hour. As a result, labour costs have been

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reduced by 27 percent across the American auto industry.

The onslaught in the US has been extended around the world. Plant closures and attacks on working conditions and wages are underway in Canada, Germany, Britain, Belgium, Spain, Brazil and Mexico. In South Australia's Elizabeth, GMH workers have already endured 12 months of one-week on, one-week off production, with a major cut in their income. At the same time, four hundred jobs are being destroyed through union-organised redundancies, while productivity has been sped up by forcing workers to perform just two job rotations instead of six.

Across Europe, where car sales have plunged from 16 million units to barely 12 million due to the catastrophic decline in working class living standards, up to 10 more major auto plants are reportedly under threat, as well as at least 75,000 car components jobs.

This is a never-ending process. Under conditions of the greatest breakdown of the world capitalist system since the Depression, workers are being pitted against one another in a downward spiral of job and wage cutting, leading to ever increasing poverty and unemployment. Any cut to jobs, wages or conditions in one country or plant soon leads to the insistence on further cuts elsewhere, on the basis of the need for greater "international competitiveness".

The Socialist Equality Party calls on Elizabeth workers to take a decisive stand and reject the company's ultimatums. The prerequisite for any struggle to defend jobs and conditions is a complete break from the trade unions and the formation of independent rank-and-file committees to turn out to other sections of workers at Ford, Toyota and in other industries, nationally and internationally. The company is threatening to shut down. Workers should prepare to occupy the plant and turn it into an organising centre for an industrial and political campaign that will seek to mobilise all sections of the working class against the relentless assault on jobs and living standards.

The fight to defend jobs and wages will inevitably involve a political struggle against the Rudd government and its trade union collaborators, who will do everything they can to try to sabotage and suppress all resistance in the working class.

GMH's demands flow directly from the crisis of global capitalism. They can only be answered through the development of a socialist strategy. This means a fight, in Australia and internationally, for workers' governments, based on socialist policies, which will expropriate the banks and major companies such as GMH, place them under public ownership and begin the rational planning of the world economy to meet the pressing social needs of the vast majority, not the profits of the wealthy few.

This is the perspective of the Socialist Equality Party and the International Committee of the Fourth International, the world party of socialist revolution. The most critical issue is the building of a new revolutionary leadership in the working class that will fight for this socialist and internationalist program. The SEP is standing Senate candidates in five states in the 2013 election in order to take forward this struggle. We urge car workers to contact us, to support our 2013 election campaign and to apply to join the SEP.

The SEP is holding an election meeting in Adelaide tomorrow to outline its socialist program to combat war, austerity and the drive to dictatorship.

Saturday, July 13, 2pm
Thebarton Community Centre
Room 3
60-78 South Road, Torrensville
(car parking off South Road)

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To contact the WSWS and the Socialist Equality Party visit:

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