

# Further signs of auto slowdown as GM announces job cuts

Shannon Jones  
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On Wednesday, one day after the US presidential election, General Motors announced 2,000 layoffs at auto plants in Michigan and Ohio. They are the first permanent job cuts by the company since GM emerged from its 2009 bankruptcy.

The layoffs, which are scheduled to go into effect in January, will impact workers at the Lansing Grand River Assembly Plant in Lansing, Michigan and the Lordstown Assembly Plant in Warren, Ohio. GM said it would suspend third shift production at both plants.

According to a report in the *Detroit News*, GM will cut 810 production jobs at the Lansing plant along with 29 salaried workers. The facility employs 2,700 and builds the GM Cadillac ATS and CTS as well as the Chevrolet Camaro. At the Lordstown plant GM said it planned to axe 1,200 production jobs as well as 43 salaried employees. The Lordstown operation currently has 4,500 workers and makes the Chevrolet Cruze.

GM attempted to sugar coat the announcement by reporting plans to invest \$900 million toward the upgrade of three plants for “future product programs.” The company blamed the layoffs on shifting customer tastes away from passenger cars toward light truck and SUVs.

In fact the layoffs point to a general slowdown in auto sales, which are not expected this year to match 2015’s record levels. Last month Ford announced temporary layoffs at five North American Assembly plants, including three in the United States and two in Mexico. Among the plants affected were assembly plants in Louisville and Kansas City that build the best-selling Ford F-150 pickup. Temporary layoffs also hit the Ford Flat Rock, Michigan plant and one in Hermosillo, Mexico that makes the Ford Fusion and the Lincoln MKC, and one in Cuautitlan that builds the Ford Fiesta.

At the end of October Ford said that it planned to

reduce its fourth quarter production in North America by 12.5 percent from the same period one year ago. It says it will schedule more temporary layoffs, including a two-week break at the Michigan Assembly plant in Wayne that builds the Focus and C-Max.

Earlier this year Fiat Chrysler eliminated a full shift at its Sterling Heights Assembly Plant (SHAP) north of Detroit with the loss of some 1,300 jobs. SHAP has only been operating intermittently this year as Fiat Chrysler phases out small car production in the United States.

The decision by GM to hold off on its layoff announcement until after the presidential election appears to have been deliberate. Michigan and Ohio are both states that figured prominently in the electoral victory of Republican candidate Donald Trump, who poses demagogically as a champion of blue-collar workers.

Auto workers are furious over continuous attacks on their jobs and living standards. Last year the United Auto Workers rammed through, over massive opposition, a sellout agreement that maintained in place the hated two-tier wage and contained only minimal pay increases for veteran workers whose wages had been frozen for 10 years. Now, the supposed job security contained in the agreement is being exposed as a sham.

The United Auto Workers responded to the GM layoff announcement with complacent indifference. The *Lansing State Journal* reported that Mike Green, the president of UAW Local 652 at the Lansing Grand River plant, said that he didn’t think the layoff numbers would be as high as those reported by GM and that the local would collaborate with management to “work out how much manpower is needed.

“We will get through it as we always have,” he said.

“Things are slow right now, but when they ramp back up they will be good,” he continued.

As any worker knows the loss of a job is a life changing disaster, particularly for low seniority workers who may not be eligible for supplemental unemployment benefits or job transfer. Despite the assurances of Green, there is no guarantee any of those let go will ever see the inside of an auto factory again.

A veteran worker at the Lansing Michigan Delta GM plant spoke to the WSWS by phone about the layoffs. He said, “I was prepared for this. The sales of the Camaro and Cadillac were not what they would have liked.

“I believe that the layoffs will create a ripple and a domino effect. We will shut down the plant in December for the Christmas break. I believe our 461 temporary workers, some who have been here for over one year, will be laid off to make way for workers they will bring over from the Grand River plant.”

“The worst part of this is that GM has had a record year profit wise.”

He said that he felt that the election of Trump was being taken by business as some kind of a signal to carry out attacks on workers. “I wonder who will follow suit. There will be a big change, a big difference now.”

A worker at the Lordstown plant said, “I just found out about it from the news. It will indeed affect full time employees.”

She said that workers had to be full time regular employees with more than one-year seniority to be able to collect supplemental unemployment benefits.

“We knew the layoffs were coming and we believe they will eventually shutdown the whole plant and all the production will be done in Mexico. It’s the American way. Forget about the little people busting their butts.”

Earlier this year GM had cancelled the annual summer shutdown at the Lordstown plant in order to maintain production levels of the Cruze. At the time it also announced that it would use the Ramos Arizpe plant in Mexico to supplement production of the Cruze.

For its part the UAW has attempted to shift blame away from its own rotten collaboration with management by diverting anger among US workers over job losses toward workers in Mexico, a theme that Trump has also employed in his pseudo populist

appeals.



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