

“The UAW smooths everything out for the company”

One week to GM layoffs in Detroit

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With the scheduled layoff of some 1,300 workers at the General Motors Detroit-Hamtramck Assembly Plant a little over one week away, there are continuing signs the auto sales boom of the last six years is ending, with the corresponding threat of a new round of auto job cuts.

The recent and impending cuts at GM plants in Michigan and Ohio are beginning to have a broader impact, as auto parts suppliers begin to retrench.

Yanfeng Global Automotive Interiors said its plant outside of Lansing, Michigan will close later this year. The plant, formerly part of Johnson Controls, employs 275. The company supplies dashboards, door panels and consoles to GM plants in Lansing. On January 20, GM laid off some 800 workers at its Lansing Grand River plant.

Another company, Penske Vehicle Services, says it may lay off 166 employees at seven locations in Michigan due to the loss of a contract with GM. The company provides fleet transportation services and GM is cutting back on its sales of vehicles for commercial use, such as rental companies, due to a growing inventory of used cars which is depressing new car prices.

GM sales fell 3.8 percent in January as the company worked to reduce inventories and cut back on incentives, which cut into profit margins. Overall vehicle sales are expected to decline in 2017 from the 2016 record of 17.55 million vehicles.

Fiat Chrysler sales fell 11 percent in January as the company cut its fleet sales, and sales by Ford fell 0.6 percent. The sales of the Fiat Chrysler Jeep Cherokee, built in Toledo, Ohio, were particularly weak, down 25 percent from levels a year earlier. Auto sales in China also fell in January, the first decline in the world's largest car market in almost a year.

Earlier this month GM announced it was increasing downtime at three assembly plants. The company said the Lordstown Assembly Plant outside of Warren, Ohio will have “several weeks” of downtime this year as the company works to reduce inventories of the Chevrolet Cruze. In January GM laid off more than 1,200 workers at the Lordstown factory when it eliminated the third shift.

GM is also scheduling additional time off at its two plants in Lansing, Michigan—Delta Township and Lansing Grand River.

The UAW has not even made of pretense of opposing the jobs cuts. On the contrary, the contract it pushed through in 2015 sanctions the expanded use of temporary workers who can be hired and fired at will, depending on sale volumes.

Sam, a contract worker employed by GM Subsystems LLC at the Detroit-Hamtramck plant, told the World Socialist Web Site *Autoworker Newsletter*, “They are trying to divide us. I am taking it one day at a time. They are pushing to get people in trouble with points. They already let 10 people go, which just makes it that much easier for them.”

Referring to the UAW, he said, “The union is a joke. They give union officials super seniority, so they don't have to worry about their jobs. They are just trying to smooth everything out for the company.”

Sam said he had been working for five years as a subcontract worker for GM Subsystems, a dummy company set up by GM with the blessing of the UAW as a supposed independent entity. Before coming to the Detroit-Hamtramck plant he had worked at Lake Orion assembly before being laid off.

“They told me when I came over from Lake Orion that I had given up my transfer rights. Our top pay right now is lower than the starting pay for the regular GM

employees. At Lake Orion, we worked side by side with guys on the line doing the same job but getting paid less.

“The UAW blames our situation on the contract. But they negotiated the contract. They told us in the last negotiations we would get a bonus. But we didn’t get a bonus. After we got the contract it was like they raped us. There was nothing we could do.

“They told us we would be put in a hiring pool and would be brought on as regular GM employees. But they were hiring people off the street as regular employees, but not hiring us. They knew what they were doing.”

The layoffs by GM in the US come as the automaker contemplates selling its European division, which has been consistently losing money due to the economic stagnation on the continent. Any sale of the GM Opel operations would likely be accompanied by significant job cuts across Europe. The prospective buyer is French-based PSA Group, the parent company of Peugeot and Citroen. GM has 20 plants in Europe and a sale to Peugeot would almost certainly mean the closure of some of those facilities to eliminate duplicate capacity. Europe accounts for 11 percent of GM’s global sales.

The cuts in Europe point to the global impact of the slowdown in car sales. They put the lie to the nationalist demagoguery of both President Trump and the UAW, which blame Mexican and Chinese workers for the attacks on jobs in the US.

The attack on European autoworkers is part of a global strategy by GM, which is looking to free up more cash to fund the development of new, more profitable technologies. GM says it has plans to mass produce autonomous, self-driving vehicles for the San Francisco-based ride sharing service Lyft. GM paid \$500 million for a minority share in Lyft, the largest ride sharing service after Uber. The spread of ride sharing services will have the likely impact of reducing demand for passenger cars and a shift of production to significantly more costly, high tech vehicles. GM says its spending on autonomous vehicles could run as high as \$800 million annually.

At the same time the possible sale of Opel has led to renewed speculation of a merger between Fiat Chrysler and General Motors, with potentially enormous implications for jobs, particularly at Fiat Chrysler. CEO Sergio Marchionne has expressed interest in a merger

with GM or another major automaker as a way of eliminating costly duplication in relation to research and development, such as autonomous vehicles. In the event of a merger, significant rationalizations are inevitable as it is not likely that GM would be interested in keeping all of Fiat Chrysler’s products, such as the Dodge Ram light truck, when GM already produces a similar vehicle, the Silverado.

Fiat Chrysler is reorganizing and closing part of its Jeep complex in Toledo for six months for retooling, laying off 3,200. It has also shuttered its Sterling Heights, Michigan assembly plant during changeover to production of the new Dodge Ram.

The chaotic and unplanned character of capitalist production inevitably means that the impact of technological changes as well as market fluctuations fall on the shoulders of workers. The role of the UAW is to force workers to accept the burden of sacrifice imposed by the crisis of the capitalist system.



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