

US auto layoffs take toll on workers and their communities

Shannon Jones
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Since late 2016 there has been a steady roll call of layoffs by the US-based automakers as the seven-year-long sales boom in the auto industry winds down. The job cuts are taking a toll on workers and their communities across the American Midwest as thousands, many temporary workers or workers with low seniority and not eligible for supplemental unemployment benefits, (SUB), are tossed into the streets.

The layoffs are having a ripple effect as job cuts spread to auto supplier plants. For example, the recent elimination of a shift at the GM Lordstown assembly plant near Youngstown, Ohio has impacted parts suppliers in the area. Three parts suppliers: Jamestown Industries, Magna Lordstown Seating Systems and Comprehensive Logistics, are all planning cuts. At Comprehensive Logistics alone, 160 workers face layoff. Magna is cutting an additional 115.

The recent announcement of 1,000 layoffs and the elimination of a shift at the GM Fairfax Assembly Plant in Kansas City, Kansas is expected to have a broader effect in the community where General Motors workers make up 4 percent of the workforce.

Vincent, a veteran worker at the GM Fairfax Assembly Plant, said, “Many are in shock and disbelief that they are losing their jobs. Every person who is affected is feeling down; their smiles have been wiped away. They have worked hard side by side with their (higher) seniority partners and many feel betrayed that the United Auto Workers wouldn’t let them acquire seniority.

“Many temps have worked two, three years without gaining any seniority and they were not invited to share in profit-sharing bonuses. They also acquired none to very little vacation time. If they did receive any vacation time it was lost to the mandatory two-week

shut down in July. It is very sad that many of the lower seniority workers are younger and trying to support their families.”

A June 21 Reuters report pointed to the impact of a downturn in auto production on the wider economy. According to the US Federal Reserve, overall manufacturing production fell by 0.4 percent in May led by a 2 percent decline in motor vehicle and auto parts production.

According to Mark Muro, a senior fellow at the Brookings Institution, the auto sector accounted for between 60 and 80 percent of all manufacturing jobs created between 2015 and 2016. “There’s no argument with the idea that auto has been pulling the manufacturing sled up the mountain for the last three or four years,” he told Reuters.

Some analysts are predicting a sharper downturn as more former lease vehicles hit the market and financial institutions tighten lending standards.

Auto sales hit 17.55 million in 2016. Since the beginning of the year, however, passenger car sales have fallen 11 percent, with a smaller 4.7 percent increase in light truck sales. Overall car sales are down 2 percent in 2017. As a result, GM has laid off more than 5,000 workers since late 2016. Ford has also resorted to temporary layoffs at several of its factories. Meanwhile, Fiat Chrysler has ended all passenger car production in the US and temporarily shut down several plants while they convert to SUV or light truck production.

Mary, a worker recently retired from the GM Lordstown plant told the *World Socialist Web Site*, “GM has been laying people off like crazy since the beginning of the year. At Lordstown, they laid off a bunch of workers. It is affecting new workers the most, and they don’t know when they will be called back.”

She noted the irrationality of GM continuing to schedule overtime at plants building larger vehicles while workers at other plants are laid off. “At Wentzville (Missouri) they are working six to seven days a week. Why don’t they convert some of the plants over and shift production so they don’t have to lay people off? They would rather work people overtime than hire people.”

Vincent added, “I believe no overtime should be scheduled until every worker is recalled.”

Mary noted that the previous GM contract significantly increased the limit on the number of part-time and temporary workers that GM can employ. This has made it easier for the company to lay off workers since temporary workers are not eligible for SUB pay.

“They don’t have to pay temporary workers full benefits. There are a lot of people upset by that. The UAW is moving further away from the workers. It is a company union, not a workers’ union.”

Vincent noted, “A temporary worker will stay a temp until the UAW and GM agree to hire them full time. Once they receive permanent status they still have to work another 90 days before they start accumulating seniority.”

“It is crazy, some are working two to two-and-a-half years to get permanent status to be able to receive the benefits of full-time workers.”

Workers noted that while cutting jobs, management was sweating as much labor as possible out of workers.

A worker at the General Motors Lansing Delta Township plant in Michigan said, “They eliminated the third shift at our plant temporarily. They went to two 10-hour shifts,” he said, noting that they were being paid at straight-time after eight hours instead of the normal time-and-a-half.

Vincent added, “People are working themselves to death. They are moving for 58 minutes out of every hour. They are beating their bodies up to make a living.”

The Delta worker continued, “A lot of people are unsure about the state of the economy, from housing to interest rates. People are putting off major purchases. With all the cuts Trump is making, people are on edge. Everyone agrees that he is unstable.”

He said some of the laid off Delta workers had been sent to the truck assembly plant in nearby Flint. “GM is holding back on hiring full time. The truck plant in

Flint has about 450 what they call ‘temporary flex employees.’ They are being used to cover full-time employees who take vacations and some of them work weekends. Some are working 40-48 hours, but their schedule is flexible,” he said, noting that some are called to work as needed on non-consecutive days.

Remarking on the role of the UAW, the Delta Township worker said, “the UAW owns stock in GM through the VEBA (Voluntary Employees Beneficiary Association),” referring to the retiree health care fund managed by the UAW. “If we strike, their stock goes down, so they don’t want to do that.

“A lot of people are afraid of losing their retirement health care because of the VEBA.”

Since GM announced its first round of layoffs last year, the UAW has not even offered a pretense of opposition, defending the job cuts by citing “market conditions.”

The UAW has embraced the Trump administration’s right-wing “America First” economic nationalism while relaunching its divisive “Buy American” campaign, which pits American workers against their brothers and sisters in Mexico, China, Europe and South America.

Remarking on the UAW’s attempt to drive US workers into a fratricidal struggle against their class brothers overseas Vincent said, “It’s a race to the bottom as fast as they can.”

He continued, “It is UAW, Incorporated. How many enemies do you know who own stock in each other?” he said referring to the retiree health care trust fund. “It used to be a cardinal sin for management to eliminate jobs. Now the UAW and GM decide which jobs are to be cut.”



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