

As Wall Street demands new auto job cuts, UAW rants against Mexico and China

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General Motors announced second-quarter profits of \$1.6 billion Tuesday, beating Wall Street expectations. Ford is scheduled to release its results today and Fiat Chrysler on Thursday, as the US-based automakers continue to record high profits even as sales of sedan-sized cars decline and companies extend their summer production shutdowns.

GM, which is carrying out a global restructuring, including winding down its operations in Europe, India, South Africa and Venezuela, has aggressively responded to Wall Street demands to lay off thousands of workers hired over the last seven years now that the sales boom has slowed. The Detroit-based auto giant has eliminated production shifts in Ohio and Michigan and carried out thousands of temporary and permanent job cuts even as it funnels more than \$10 billion into dividend payments and stock buybacks for wealthy shareholders.

On Tuesday, GM Chief Financial Officer Chuck Stevens told investors that GM will cut North American production by 150,000 vehicles in the second half of 2017. Analysts have floated the possibility of shutting plants that produce slow-selling cars, including the factory in Lordstown, Ohio and GM's only assembly plant in Detroit.

The United Auto Workers union has blocked any resistance by workers to job cuts. Echoing management, the UAW claims that the layoffs are due to "market conditions," not the relentless drive by Wall Street to slash costs and transfer money from wages and benefits to dividends and stock repurchase programs.

Asked by a reporter about the fate of the Lordstown and Detroit plants, UAW president Dennis Williams could barely rouse himself. "Shutdowns, layoffs, market slowing—that raises our eyebrows," Williams murmured. Then sounding like a paid consultant, he added, "The employer miscalculated the build cycle. There was a lot of overtime while stocks were growing. They have to get better at balancing so employees stay employed."

What really got Williams excited was his announcement that the UAW will be holding a contest on Labor Day for the best social media, television and radio material to promote

the union's "Buy American" campaign. "We want to educate the public on why it is important to buy American and how it supports one another as a people, as a nation," Williams said.

Williams said it was sometimes difficult to determine the origin of a vehicle and that he would prefer that big labels, with flags, be plastered in the windshields of new cars, saying "China," "Mexico," "The United States" and "Canada." The UAW president went out of his way to praise President Trump's economic nationalist program, boosting the lie that the billionaire president's trade war measures would improve the fortunes of American workers.

To call the complacent company hacks in the UAW hierarchy Neanderthals has always been a slight to our prehistoric ancestors. There is no such thing as an "American-made" car, any more than a Japanese- or German-made car. It is more likely, in fact, that one will find more "American-made" parts in a Toyota Camry produced in Georgetown, Kentucky than most vehicles made in GM, Ford and Chrysler factories in Detroit.

Autoworkers around the world are employed in one of the most globally-integrated industries on the planet, involving a world-wide division of labor. The relentless effort by the global corporations to drive down the living standards of workers is not due to "unfair trade," let alone "globalization" in itself. It is product of the capitalist profit system, which is based on pumping the maximum amount of profit out of workers in every country.

Williams could not pass up the opportunity to pollute the consciousness of workers with toxic nationalism. Asked if Ford had discussed its plans to move production of the small Ford Focus to China, Williams blasted, "If they are going to produce in China and keep it in China for that economy, that's fine. But employers produce it in China and bring it back like [GM's Buick] Envision. I am not happy about the Envision, which I refer to as the 'invasion.' I feel the same about the Focus. If they want to produce in China, then sell it in China."

Asked about future plant closings, Williams responded,

“When an employer like GM, Ford or any other employer produces so many vehicles in Mexico and around the world and brings them back for sales, and comes to us with a plant closing, there is going to be a problem with us. Any corporation that deals with us and has that kind of philosophy, they are going to have an issue with the UAW. You’ll hear me loud and clear.”

Nobody in GM or Ford headquarters were shaking under their desks over Williams’ hot air. The UAW has not lifted a finger to oppose a single plant closing in 40 years. Instead, its incessant ranting against workers in Japan, China, Mexico and other countries for supposedly “stealing American jobs” has been used as a cover for the UAW’s collusion in the shutdown of scores of factories and the elimination of hundreds of thousands of jobs.

In the late 1970s and 1980s, as then-UAW President Douglas Fraser was brought on to the Chrysler board of directors, the UAW conducted a vicious anti-Japanese campaign, which included sledgehammer parties to destroy Toyotas, the banning of “foreign-made” cars from factory and union parking lots, and the sale of bumper stickers declaring “Remember Pearl Harbor.” This racist agitation led to the 1982 murder of Chinese-American Vincent Chin by a Chrysler foreman and his son.

Meanwhile, the UAW banned strikes, abandoned any shop floor representation and insisted that workers accept speedup, management abuses and wage and benefit concession to “boost competitiveness” and corporate profitability. Annual wage increases, cost of living adjustments, job security provisions, layoff protections and everything else was abandoned, and the UAW introduced multi-tier wage and benefit systems.

Not a single job was defended. Instead such policies led to the catastrophe that can be seen in the shuttered factories and decaying schools and neighborhoods. Far from sharing the fate of autoworkers, however, the UAW business executives thrived through the proliferation of joint labor-management “training centers,” “scholarship funds,” banking, real estate and other business ventures.

Today, the UAW functions as an unabashed tool of management, and its executives like Williams, Cindy Estrada and others sit on corporate boards, manage billions of dollars of corporate stocks and have a direct financial incentive to cut the wages, health care and retirement benefits of the workers they falsely claim to represent.

Pointing to the labor agreements signed by the UAW in 2015—in the face of mass opposition from rank-and-file workers—GM finance chief Chuck Stevens boasted to Wall Street analysts last year, “We have a much more flexible workforce, enabling us to react to market dynamics and take costs out more aggressively compared with past cycles.”

This includes thousands of new part-time and temporary workers sanctioned by the UAW who have short layoff benefits, making it easier to cut jobs.

Williams first floated the idea of resurrecting the campaign against “foreign-made” vehicles last February, just weeks after the inauguration of President Trump. In March, Williams appeared alongside Trump and then-Ford CEO Mark Fields at the site of an abandoned World War II bomber factory in the Detroit area. Trump praised the collaboration of the unions, management and the government in building weaponry to win the war, and alluded to his plans for a massive military buildup to “Make America Great Again.”

While tens of millions of workers hate Trump for his attacks on health care and public education, the mass deportation of immigrants and reckless militarism, the UAW and other unions have found kindred spirits in Trump and his fascist aide Stephen Bannon.

A fight against a new round of layoffs is needed. The allies of American workers in this struggle are not the American corporate bosses, Trump or the Democrats, who are no less pawns of Wall Street than the Republicans. The allies of workers in the US are the autoworkers of Slovenia, Serbia, Korea, France, Mexico, China and around the world who are entering similar battles. New organizations, controlled by the rank-and-file and dedicated to the methods of the class struggle, not class collaboration, are needed.

Above all, the fight for good-paying jobs and all the social rights of the working class requires a conscious struggle to unite workers against the capitalist system and the two corporate-controlled parties that defend it. Economic life must be organized based on socialist principles, to meet the needs of the masses of working people who create society’s wealth, not the corporate and financial parasites that monopolize it. The Socialist Equality Party is leading that fight, and we call on autoworkers to contact the SEP to take up this struggle.



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