

Temporary shutdown of GM Detroit-Hamtramck plant signals new threat to auto jobs

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Faced with declining sales of passenger cars General Motors said this week that it will close its Detroit-Hamtramck assembly plant for six weeks starting in mid-November. Starting October 20, the plant will be on a reduced work schedule, according to a report in the *Wall Street Journal*.

When the plant reopens in January the auto company said it plans a 20 percent production cut at the facility, a move that may result in some 200 layoffs. The report did not say if the job cuts would be permanent.

In March, GM eliminated the second shift at the Detroit-Hamtramck plant, resulting in the elimination of over 1,000 jobs. The United Auto Workers did not oppose the job cuts, justifying them on the grounds that they were the result of “market conditions.”

A statement released by GM declared, “As a result of declining overall industry volumes, the Detroit-Hamtramck plant will be making schedule adjustments to keep supply and demand in balance. Effective October 20, the plant will operate under a reduced production schedule. This action will help maintain more stable production.”

The new layoff announcement follows a spate of temporary production cuts by Ford and several thousand permanent layoffs by General Motors, most recently the elimination of the third shift at its Spring Hill, Tennessee plant. Earlier this year GM cut shifts at its Lordstown, Ohio plant and factories in Delta Township and Lansing Grand River, both in Michigan, as well as its Fairfax, Kansas plant.

The continuing layoffs are an indication that the long sales boom in the US auto industry is coming to an end. While light truck and SUV sales have held fairly steady, bolstered by low gas prices, passenger car sales

are down significantly. All told GM sold 82,179 fewer cars in the first half of 2017 than in the same period last year. The company is reportedly considering the elimination of six car models.

The Detroit-Hamtramck facility builds the Chevrolet Volt electric vehicle, the Cadillac CT6, Chevrolet Impala and the Buick LaCrosse, all considered to be slow selling passenger cars. GM currently has a 10-month supply of the LaCrosse on hand, where a two-month supply is considered normal.

There are about 1,800 workers, including 1,580 hourly production workers, currently employed at the Detroit-Hamtramck plant. The factory employed some 3,000 workers at the beginning of the year, before the layoffs began. Many of the workers who were laid off had given up other jobs and travelled long distances to work at GM after being encouraged by GM and the UAW to believe their jobs would lead to permanent employment.

GM and all the auto companies are under enormous pressure from Wall Street to cut costs in order to maintain their stock prices. Despite earning billions of dollars in profits sweated off the back of autoworkers, GM is continuing its cost cutting offensive. It is currently engaged in a battle against Canadian autoworkers employed at the CAMI plant in Ingersoll, Ontario. The facility builds the popular Equinox sports utility vehicle. The company is maintaining a hard line against workers who are determined to win pay and benefit increases after years of concessions, and has threatened to “wind down” production at the plant if the strike is not ended.

Instead of investing in new production or improving pay and benefits, GM has squandered billions in stock

buybacks aimed at boosting the company's share values, including \$9 billion in 2016-17. Partly as a result of these efforts, as well as ruthless cost cutting, GM stock has enjoyed a recent surge.

The continuing job cuts amid soaring auto company profits highlights the irrationality of the capitalist profit system, which subordinates the job security and incomes of workers to the vagaries of the market. The UAW completely accepts job cuts as necessary for the financial health of the auto companies. Insofar as the unions have anything to say about jobs, it is to rant at the overseas competitors of the US-based car companies, as though Mexican, Canadian, Asian and European autoworkers were the enemies of American workers, not the US auto bosses.

The 2015 UAW-GM contract paved the way for the car companies to carry out mass layoffs. It increased the number of temporary and part time workers who do not have minimal protections, such as Supplemental Unemployment Benefits (SUB). It also maintained the hated two-tier wage system, in reality a multi-tier system that saddles new hires with lower wages and SUB pay. Indeed, temporary workers have taken the brunt of the job cuts and the Detroit-Hamtramck plant.

The *World Socialist Web Site Autoworker Newsletter* waged a struggle against the layoffs in the winter and spring of 2017 at the Detroit-Hamtramck plant, rejecting the position of the UAW that market conditions dictate all. The *Autoworker Newsletter* sought to build a rank-and-file opposition to the job cuts, published articles and held regular interventions at the plant, including a picket.

At the time, the *Autoworker Newsletter* warned if the cuts were not stopped, the fate of all the jobs at the plant were in question. Now, these warnings are being confirmed.

The WSWS spoke to a veteran worker at the GM Fairfax assembly plant. She said workers there had just returned from a four-week layoff. "We have a 200-day supply of the Malibu. My personal thought is there will be more layoffs. It always seems to be the workers who are the ones that suffer.

"I have about 20 years and I'm making little more than when I first hired in. The cost of living has gone up and our pay has not.

"I blame the UAW for everything we have lost. The minute they had a hand in GM stock, that was the end

for us. We were bullied into agreeing to the last contract. We had given up so much, holidays, more medical co-pays, cost of living, all told 10 percent of our income. The company only gave us back 3 percent of what we lost."

Meanwhile, Fiat Chrysler is in the midst of a retooling and restructuring drive in the United States that could result in the long-term loss of jobs. The company ended US passenger car production last year to focus on more profitable light trucks and SUVs.

Most immediately threatened are workers at the Warren Truck assembly plant just outside Detroit. The plant will reportedly be closed in January as production of the Dodge Ram truck is shifted to the nearby Sterling Heights Assembly Plant (SHAP) that is currently closed for retooling. Some Warren Truck workers will be shifted to SHAP and others laid off while the Warren Truck facility retools, reports are for the production of the Jeep Wagoneer and Grand Wagoneer, slower selling vehicles that likely will not require nearly as large a work force.



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