

As part of a global strategy of cost-cutting and plant shutdowns

GM to slash 1,500 jobs at Lordstown, Ohio plant

Tim Rivers
16 April 2018

In spite of a continuous chorus in the media of a booming economy creating robust job numbers, General Motors is unleashing a new round of attacks on autoworkers in North America as part of a global cost-cutting offensive against the working class.

The corporation announced on Friday it will cut one of two operating shifts at its massive Lordstown, Ohio, assembly plant, cutting as many as 1,500 jobs effective June 15. As recently as 2016, the plant was operating three shifts around the clock with nearly 4,000 workers. By the end of June only 1,500 will remain.

As sales for the compact Chevy Cruze, the only vehicle produced at the facility, began to slip, GM shuttered the third shift in January 2017, axing 800 jobs. Over the course of 2017, the plant was idled for weeks at a time and rumors began to circulate about the impending layoffs.

As an indication of the severity of the cuts, this is the first time since the recession of the 1980s that the plant will operate with only one shift.

In September, anticipating the cuts, the United Auto Workers (UAW) international union merged the two local unions at the plant into one. Local 1714 joined UAW 1112. At the time, international president Dennis Williams said the move would increase efficiency and preserve union operations in the plant. The move was clearly intended to tighten the grip of the international, suppress any struggle against the job cuts and, on the contrary, boost the company's cost cutting and profitability.

GM pretax profits for 2017 topped \$12.8 billion. The company sold 450,000 fewer vehicles to dealers last year than they did in 2016, but profits actually rose because of aggressive cost-cutting attacks on the

workers, imposed by the union, which include everything from an expansion of Temporary Part Time employees at less than half pay, widespread layoffs and shutdowns.

US passenger car sales are on track to decline for the fifth straight year while sales of light trucks are setting records. US sales of compact cars dropped 10 percent in the first quarter and 5.8 percent through 2017.

Lordstown is not the only plant affected by this shift. GM's Detroit-Hamtramck factory, for example, relies heavily on production of small and midsize sedans, including the Buick LaCrosse, Cadillac CT6, Chevrolet Impala and the Chevrolet Volt. In October, the automaker announced plans to cut about 200 jobs there and halt production beginning November 20 through the Christmas break, affecting 1,500 jobs over the holidays. The second shift was eliminated in March 2017, eliminating 1,300 jobs.

Massive attacks imposed during the Obama administration's 2009 restructuring of GM and Chrysler, which cut pay in half for new hires and sharply expanded the temporary workforce, allowed the automotive industry to lead the way in what was—for corporate America—a sterling economic recovery. The UAW was paid off handsomely with union officials receiving millions of dollars in corporate bribes to sign "company friendly" agreements.

Mary, a legacy worker from Lordstown who is about to retire, told the *World Socialist Web Site*, "A lot of people are going to be hurt. There are a lot of young families out there that need their jobs."

When asked about a struggle against the layoffs, she replied with disgust, "We don't have the union we had umpteen years ago. All of that has changed."

Another legacy worker who will lose her job in June is outraged that the union is refusing to cover her health insurance when she retires. “The union doesn’t want to pay for my health care,” she said. “I am very upset. The union does nothing for me. A lot of people are angry about it. They rewrite the seniority clause in the contract when they want to, to protect their people.”

The same conditions are developing in factories everywhere as GM pursues its cost-cutting strategy with a vengeance. Last year, GM said it would withdraw from India, one of the few major automakers to walk away from a country many are counting on for cheap labor and growth. It also has withdrawn production from Europe and Australia and substantially downsized in Russia, Thailand and Indonesia.

GM has announced it will close a Korean factory in the coastal city of Gunsan cutting 2,000 jobs in May as a bludgeon to force workers at the three remaining plants to take cuts. The company is approaching a major restructuring of its operations in South Korea where it employs 16,000 factory workers. Its plants there produce cars mostly for export to dozens of countries—including Buick sport-utility vehicles sent to the US.

GM President Dan Ammann, who is in charge of global operations, said in an interview that the automaker has laid out its position to the union and government officials but declined to discuss specifics. In a threat that will ring all too familiar to American autoworkers, he said GM Korea’s factories are too costly to operate profitably.

“We’ve made clear we need to have a business that’s sustainably profitable in order for that business to attract further investment,” Mr. Ammann stated. He said retaining a presence in the country is the “preferred scenario.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact