

Michigan auto parts plant explosion highlights brutal conditions in supplier industry

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A May 2 fire at an auto parts factory in a small town south of Lansing, Michigan has disrupted automobile production in Michigan, Kentucky, Missouri, Ohio, Alabama and Canada. The Meridian Magnesium Products plant in Eaton Rapids, which was severely damaged and will take months to rebuild, is one of the few factories in North America that produces light-weight magnesium-casted parts.

Due to its just-in-time parts delivery system, Ford had to halt production of its top-selling F-150 pickup at its Dearborn, Michigan assembly plant after halting F-150 production in Kansas City. It has also shut down production of its F-Series Super Duty pickups in Louisville, Kentucky.

One third of Meridian's output goes to Ford, including the "front bolster," which structurally reinforces the engine where the radiator is attached, for the F-150, Super Duty trucks, and Expedition and Navigator SUVs, according to the *Detroit Free Press*. The supplier also makes a lift gate for the MKT model.

While tools and dies have been sent to another Meridian plant in Ontario, Canada, the shutdowns could cost Ford production of 15,000 trucks per week. The F Series trucks accounts for the majority of the company's profits, bringing in an estimated \$40 billion in annual revenue.

The disruption of parts production has also hit a General Motors plant in Wentzville, Missouri, the Fiat Chrysler van plant in Windsor, Canada, the BMW plant in Spartanburg, South Carolina and the Mercedes Benz plant in Tuscaloosa County, Alabama.

As the auto companies scramble to restore production, a picture of the hazardous conditions and super-exploitation of auto parts workers is emerging—for many decades a pillar of the profitability of the auto manufacturers.

The conditions at Meridian Magnesium Products of America typify the brutal conditions that exist in auto parts plants in America. In recent years the company has been cited for more than half a dozen safety violations, including several incidents where workers suffered serious burns. Two

more were injured during the explosions earlier this month. Workers report a hazardous environment in which untrained people are routinely assigned to dangerous jobs.

Magnesium is the lightest of structural metals, making it a prime source for fuel-efficient design. The unique industrial process at Meridian places molten magnesium under high pressure forcing the material into dies to cast parts. The facility also does secondary processing including assembly and painting.

In powder form magnesium ignites easily and burns at 2500 degrees Celsius, which means that any water it encounters is instantly vaporized producing explosive combinations of gas. Firefighters at the scene could only assist the injured and wait for the blaze to subside. The Eaton Rapids fire chief said an official report on the fire and blast will be released Thursday.

With 400 employees, the factory is the largest employer in the town of 5,000 people. The work force has a high rate of turnover and poverty level pay. Thirty-six percent of workers have four years or less and another 45 percent have between five and nine years. An assembly line worker makes just \$11.67 per hour, a fork lift driver \$12.84 and an assembler gets a mere \$13.74. On top of this the workers now face the uncertainty of indefinite layoff and potential loss of health benefits.

The low wage regime confronting auto parts workers is the outcome of a long process in which the UAW has collaborated with the major car companies and auto parts suppliers to drive down wages.

Up until the 1960s, workers at so-called Independent Parts Suppliers enjoyed relatively similar wages and conditions as workers employed by the Detroit automakers. With the Big Three domestic automakers increasingly facing competition from international competitors in the late 1970s and 1980s, the UAW adopted a corporatist policy of labor-management collaboration and embarked on a campaign of cost cutting to boost the "competitiveness" of the US-based companies. In

return for its collusion in slashing wages and destroying the achievements won by generations of autoworkers, the UAW received literally billions of dollars in payments funneled through various joint training programs and other schemes.

Peddling the lie that the enemies of American autoworkers were not the auto bosses but workers in Japan, Germany, Mexico and China, the UAW sought to outlaw any resistance by workers to wage-cutting, speed up and layoffs.

In the 1980s and 1990s, the UAW isolated and betrayed a series of strikes by auto parts workers, paving the way for a sharp lowering of wages in the parts sector and the expansion of non-union suppliers. A series of UAW concessions contracts at Budd Wheel, Dana Corp. and others broke the pattern of near parity wages with Big Three assembly workers.

By 1995, less than 20 percent of independent parts workers were represented by unions, down from 65 percent two decades before. In 1980, an auto parts worker earned 15 percent lower wages than a worker at a Big Three assembly plant. By 2000, the differential had risen to 31 percent and by 2014 it stood at 36 percent.

The nationalist and pro-capitalist UAW had no progressive response to the globalization of capitalist production. Between 1978 and 1998, GM built more than 50 parts factories in Mexico, which would come to employ more than 70,000 workers, making its parts subsidiary Delphi Automotive the country's largest private employer. With wages as low as \$1-2 an hour, compared to \$22 an hour at GM's plants in Michigan in the late 1990s, GM, along with Ford, built an entire auto parts industry in Mexico.

Rejecting any effort to unite US and Mexican workers, the UAW joined management to use the low wages in Mexico as a hammer to drive down the pay of parts workers in the US. In 1993-94, GM sold off five axle and related product plants to a group of private investors led by former GM and Chrysler executive Richard Dauch to create American Axle & Manufacturing, employing 6,100 hourly workers.

At American Axle, with the assistance of the UAW, Dauch was able to replace thousands of former GM workers with new hires earning \$12.50 an hour. While being forced to pay dues to the UAW, the new hires were not covered by the pension and benefit structures of the UAW-GM contract.

In the space of six months, two workers—Michael Persechini and Dorothy Graves—were killed inside one plant in Detroit, the first crushed by machinery, the latter plunging 50 feet to her death while trying to close a roof vent. A UAW official discounted any suggestion that the deaths had anything to do with speed-up or unsafe conditions, saying instead, “You have various accidents. That’s what happens with a new work force. People get killed.”

After the UAW betrayed strikes at GM-Delphi in Dayton,

Ohio in 1996 and Flint, Michigan in 1998, GM announced plans to spin off Delphi and slash 53,000 UAW members from its payroll. A year later, Ford followed suit, severing its ties to its Visteon parts division. The UAW sanctioned these decisions.

In the 2003 auto contract negotiations, the UAW agreed for the first time in its history to a two-tier wage contract with the major auto parts manufacturers, Delphi and Visteon, along with rollbacks in health and pension benefits for new hires. The following year, after a one-day strike, the union agreed to a two-tier system at American Axle.

In the name of “in-sourcing” work formerly done by suppliers in the US and internationally, the UAW is now imposing the same low wage and sweatshop regime inside GM, Ford and Fiat Chrysler plants. In this way it can collect union dues from poorly paid “in-progression” workers, and temporary part-time employees who have no rights.

Press reports on the Meridian fire make an issue of the foreign ownership of the plant, which is held by the China-based Wanfeng Auto Holding Group. Indeed, the UAW has collaborated in driving down wages to the point where global companies are moving production to the US to secure cheap labor.

For decades the UAW has collaborated with every attack on jobs, wages and safety conditions. It is not a workers' organization, but a labor contractor, whose job is to enforce poverty-level wages on workers and do whatever it can to suppress opposition.

New organizations are urgently needed. Rank-and-file factory committees, independent of the union and the companies, must be organized in every factory, both union and non-union, to prepare a united struggle by all auto workers in defense of jobs, safety conditions, wages and benefits. The *WSWS Autoworker Newsletter* urges all autoworkers to contact us to help organize this fight.



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