

# GM threatens plant shutdowns and layoffs as car sales fall

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The United Auto Workers and General Motors are reportedly collaborating to close one or more of the company's five remaining car assembly plants and throw thousands more workers onto the unemployment lines as car sales continue to fall.

Overall sales for the company were up, driven by sales of its line of SUVs and pickup trucks. However, passenger car sales continue to fall. In May, overall domestic car sales were down by over 11 percent.

Sales of General Motors' popular Chevrolet Cruze fell by over 26 percent from 51,265 in the second quarter of 2017 compared to just 37,836 in the second quarter of this year.

The Cruze is manufactured at the company's Lordstown, Ohio assembly plant, which is one of the plants that could possibly close according to press speculation. In June, the company eliminated its second shift at Lordstown, impacting 1,500 workers. Many of those workers had 20 years service with General Motors. In January 2017 the company eliminated the third shift, laying off 1,500 workers at the time.

In the months before laying off the second shift at Lordstown, the United Auto Workers entered into an agreement with the company to hire temporary workers from a subsidiary of General Motors, GM Subsystems LLC, at wages starting as low as \$9.00 an hour, to fill many jobs at the plant such as maintenance and forklift drivers.

Four other assembly plants could face possible shutdown according to press speculation including passenger car plants located in Kansas City, Kansas and Lake Orion, Detroit-Hamtramck, and Lansing, Michigan. Three out of the five car assembly plants are working just one shift. In all, the five plants are working at just 37 percent of capacity, meaning 1.3 million more cars could be made each year at the

plants.

A veteran worker at the Lordstown plant spoke to the *World Socialist Web Site Autoworker Newsletter* about the threat to close more GM plants. "It will hit this area hard, in particular Youngstown. I am tired of GM bullying us around. I have seen this plant go from 15,000 workers down to 1,200.

Overall, General Motors' sales were up 4.6 percent for the second quarter, driven by sales of SUVs and pickup trucks. But rather than shift production to its car plants, the company has been able to boost production at its SUV and truck plants with the assistance of the United Auto Workers enforcing overtime and increased and unsafe line speeds. Several of GM's truck and SUV plants are working three shifts at 105 percent of capacity.

The worker added, "They are raising the line speed and making us work on Saturday all the while people are laid off. Then there was the memorandum of understanding signed by [UAW Vice President] Cindy Estrada bringing in GM Subsystems workers at lower pay.

"There is no more UAW. The contracts should all be null and void. They should pay us back for the cost of living raises they took away."

General Motors continues to make billions in profits, including getting a massive windfall from the Trump corporate tax cuts. Last year the company made nearly \$20 billion. In total the company has made over \$142 billion since emerging from bankruptcy.

As part of the company's bankruptcy reorganization, the United Auto Workers, under the direction of the Obama administration, pushed through massive concessions in wages and health care, and most notably installed a two-tier wage and benefit system in which new hires are only paid a fraction of what traditional

workers earn.

With the help of the United Auto Workers, General Motors closed 14 plants and laid off over 20,000 workers. Nearly ten years since emerging from bankruptcy, a very substantial and ever growing percentage of GM workers are now at the lower pay and benefit scale.

While throwing thousands of workers onto the streets and cutting wages and benefits for the workers, the company again plans to give stockholders and executives massive profits. This year alone the company has earmarked over \$6 billion for dividends and stock buybacks.

The UAW has been highly rewarded for its services. Since coming out of bankruptcy, the UAW has received hundreds of millions from General Motors in the form of payments for training centers, union-corporate committees and the like. In the case of Fiat Chrysler, not a small part of this money ended up in the pockets of individual UAW officials. According to recent reports, former UAW President Dennis Williams has been named as a party to the corrupt scheme to divert funds from training centers to the UAW. A charity run by UAW vice president Cindy Estrada, who signed the secret agreement with GM to bring in subcontract workers at the Lordstown and Lake Orion plants, is also under federal scrutiny as a possible conduit for stolen funds.

But this is only a small part of the payout that the UAW has received from the auto companies. In addition to the training and joint committee funds, the UAW administers the multi-billion-dollar retiree health care benefit trust fund, which owns a considerable share of GM stock.

Once again, the UAW is playing its role by pushing through the current round of plant closures and layoffs. The UAW is seeking to divert the anger of workers against both General Motors and itself by placing the blame on autoworkers in Mexico and promoting chauvinism and nationalism.

In particular, the UAW is pointing to the fact that General Motors already produces some Cruzes in Mexico and announced in June that it plans to build some Blazers there as well.

Appealing to Trump to take action against Mexican autoworkers, UAW Local 1112 president David Green sent a letter to Trump last month.

“You campaigned on the promise to keep Americans working, yet on June 22, 2018, GM announced they would build the new Chevy Blazer in Mexico. Ironically this was also the very last day our second shift, another 1,200 workers, were laid off. The fact that many of our members here in Ohio voted for you, and for you to remain silent on this issue is disturbing.”

He concluded the letter with the advice: “If you sell it here, you need to build it here. This is how we can keep America working.”

Far from protecting jobs and living standards of autoworkers, the push by the Trump administration and supported by the UAW for tariffs and protectionism is aimed at lining up workers in the United States against their class brothers in Mexico, Europe and Asia, which will ultimately lead towards war.

In fact, autoworkers can only defend their jobs and living standards by uniting with workers internationally in a common struggle against the corporate giants and the governments that serve them. This means a break with the UAW and the building of rank-and-file factory committees to organize an independent fight against plant closures.



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