

“This meeting is a powerful expression of the growing opposition of the working class”

## Report to Detroit meeting to fight GM plant closings

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*The following is the introductory report delivered by Jerry White, labor editor of the World Socialist Web Site, to the December 9 Emergency Meeting to Fight GM Plant Closings, sponsored by the Socialist Equality Party and WSWs Autoworker Newsletter.*

I'd like to welcome all the workers and young people who have come to this critical meeting. This is the first politically conscious answer by the working class to the plant closing announcement by General Motors. We have convened this meeting to discuss a strategy and organize a fight to oppose these shutdowns. The purpose of my report is to introduce the resolution “No to GM plant closings! Mobilize the working class to stop layoffs and concessions!”

On November 26, GM announced it was closing five plants in the United States and Canada by early 2019 and eliminating the jobs of nearly 15,000 hourly and salaried workers in North America. In the crosshairs of the corporation are three major assembly plants—Detroit-Hamtramck, Lordstown, Ohio and Oshawa, Ontario—and two transmission plants, one in the Detroit suburb of Warren and one in White Marsh, Maryland, just outside of Baltimore.

Job cuts will also reportedly hit GM's Brownstown, Michigan battery plant. GM, which already carried out the closure of its Gunsan, Korea plant, has said it will close two other plants outside of North America, which have not been named yet.

In the next weeks and months, politicians including Trump and Democrats from Ohio and Michigan, along with UAW officials and officials from Unifor in Canada, will try to pit workers at these plants against each in a fight over who will take the most concessions in order “save” their plant at the cost of other plants. GM and the UAW have made no secret that the fate of these plants will be part of the contract negotiations next year and that they are aimed at intimidating workers and forcing them to take a new round of deeper wage and benefit concessions.

We have not convened this meeting to work out some kind of miserable compromise, but to discuss a strategy to stop all closings and layoffs, and to oppose the plans, already in the making by the UAW and Unifor, to blackmail workers into sacrificing even more in exchange for worthless promises of job security.

We have proposed for adoption at this meeting a resolution that summarizes the situation facing autoworkers and all workers, and the tasks that we believe must flow from this situation.

I would like to elaborate on specific points in the resolution, so we can discuss it and come to an agreement on how to fight. First, the resolution states, the plant closings and layoffs “will have devastating consequences for tens of thousands of autoworkers, their families, and all workers who depend on the auto industry.”

The plant closings would be a death sentence for working-class communities in Detroit, Youngstown, Ohio, right next to the Lordstown plant, and Oshawa, Ontario. All these cities have been hit by decades of deindustrialization. Fifteen hundred workers will lose their jobs at the Detroit-Hamtramck plant, a few miles from here, which already eliminated a shift with 1,500 workers in March 2017. Nearly 500 at the Warren Transmission plant and thousands of engineers, designers and other white-collar workers will lose their jobs at the GM Tech Center and other locations.

The Lordstown plant, built in 1966, is the anchor of the Mahoning Valley region, halfway between Cleveland and Pittsburgh. It has already lost two shifts and will lose another 1,500 jobs. Nearby Youngstown, a former steel mill town, has a child poverty rate of 59 percent. In Oshawa, where there were once 24,000 GM workers in one of the largest auto complexes in the world, there are barely 2,000 workers now. In scenes reminiscent of the Great Depression, the homeless set up a tent city in the nearby woods outside of Oshawa.

The impact, however, will extend far beyond the workers most immediately affected. Experts estimate that the ripple effect of the closures will be seven to nine times the number of workers being laid off. This is due to job cuts at supplier plants, trucking companies, restaurants and other service industries tied to the factories. This means anywhere from 42,000 to 54,000 jobs will be wiped out.

And the effects are not just economic. Duke University public policy analyst Elizabeth Ananat, who studies the impact of plant closures on students and schools, compared them to hurricanes that cause “community level trauma,” leading to social and psychological distress, depression and increased anxiety and violence among children.

If these plants are allowed to close: How many more schools will close? How many more workers will have their homes foreclosed? How many more families will break up? How many more suicides and opioid deaths will occur?

To answer these questions, one only has to look at Flint, Dayton and other cities where GM left nothing behind but economic, social and ecological disaster. I am proud to say we have workers here from Flint who can shine some light on the devastating conditions in that city, including the lead poisoning.

The second point in the resolution notes that, “The actions by GM are part of a global restructuring of the auto industry and an attack on the international working class, driven by the demands of Wall Street for ever greater profits that will worsen record levels of social inequality.”

A week after GM announced its plans, an analyst from the Wall Street bank Morgan Stanley in a note to investors said that Ford would likely lay

off even more workers, predicting the number would be 25,000. Not only would these cuts hit hourly workers in the US and Canada, but, he said, the bulk would be in Europe.

On November 8, Ford announced it was closing its British manufacturing headquarters in Brentwood, with close to 1,700 jobs, and plans were leaked that the plant in Blanquefort, France would be shut by the end of next year, cutting 900 jobs. Blanquefort Ford workers participated in the “Yellow Vests” protests across France to oppose the destruction of their jobs.

Throughout the world, global corporations are slashing hundreds of thousands of jobs. Earlier this week, German pharmaceutical company Bayer announced 12,000 job cuts, mostly in Germany; French steel pipe manufacturer Vallourec, which owns a steel mill in Youngstown, announced plans last week to cut 1,800 jobs in France and Germany. Last month, Montreal-based train and aircraft manufacturer Bombardier announced the layoff of 5,000 workers in Quebec, Ontario and Belfast, Ireland.

The attack on these jobs in a supposed economic boom with unemployment at the supposedly lowest levels in 50 years, we are continually told, is being entirely driven by the demands of rich investors and Wall Street for ever greater returns on investment. When GM announced its plans to shut these plants, its share values shot up over 6 percent. This is not a company going bankrupt. Based on takeaways GM and the UAW have imposed upon workers for years, the company’s third-quarter profits in North America jumped 38 percent and GM is on the way to make \$10 billion in profits this year.

The \$6.5 billion a year the company is saving by throwing workers on the streets is not being reinvested in production. The bulk of this money is going for stock buybacks and dividend payments to GM’s wealthy investors. Over the last five years alone, GM has handed \$25 billion, robbed from the wages, benefits and conditions of workers, to its richest shareholders.

This is a slide on GM’s profits since 2010. The restructuring of the industry by the Obama administration took place a year after the global financial crash of 2008. In 2009, the UAW agreed to massive concessions, including halving the wages of new workers and abolishing the eight-hour day, and in the nine years since GM has one profitable year after another.

What is happening to GM workers is part of a process that has been happening to workers throughout the US and, in fact, throughout the global economy. For decades, workers have faced a relentless attack on their wages and conditions.

This chart shows the steady increase in the share of the gross domestic product that goes to corporate profits and the decline in the share that goes to wages. By 2014, wages and salary income amounted to only 43 percent of GDP, the lowest since 1929. Corporate profits after taxes amounted to a record 11 percent of GDP, the highest since 1929. The purchasing power of an average workers’ wage today is no more than it was in 1978. We have not taken one step forward in living standards in 40 years.

The third point in the resolution states: “The GM plant closings further expose the lies that concessions contracts would ‘save jobs,’ peddled for decades by the UAW and Unifor, which have long functioned as tools of corporate management used to block every struggle by workers.”

It has been 40 years since the UAW began its policy of massive concessions, starting with the 1979 Chrysler bailout. The result has been 40 years of unending disaster for workers.

During the first Chrysler bailout of 1979, UAW Vice President Marc Stepp infamously declared, “I believe the company will have to trim operations down. We have free enterprise in this country. The corporations have a right to make a profit.”

The UAW was put on the corporate board of directors. It proceeded to impose wage and benefit concessions that in today’s dollars would equal \$15,000 per worker, while collaborating in the elimination of 57,000

Chrysler jobs, including 30,000 in Detroit. Dozens of plants were shuttered, including Dodge Main in Hamtramck.

During the 1980s, the AFL-CIO unions worked to isolate and defeat every struggle by workers, beginning with the strike by 13,000 PATCO air traffic controllers and their firing by the Reagan administration.

The unions officially adopted the policy of “corporatism,” which claims that somehow the corporate owners—the capitalist exploiters—and the workers had identical interests. The days when workers battled to increase their share of the wealth they create in a struggle against the employers were over. Now, the UAW said, workers had to work with the bosses to cut wages and make the American corporations more competitive against their Japanese and German rivals.

What did this policy produce? A decline of 80 percent in the number of autoworker jobs at the Big Three. Since 1978, the number of GM, Ford and Chrysler workers in the US has fallen from 750,000 to barely 141,000, while the wages, benefits and working conditions of autoworkers have been decimated.

As this slide shows, the suppression of the resistance of the working class by the unions paved the way for an enormous transfer of wealth to the super-rich, who pulled investments from industry and engaged in more and more grotesque forms of financial speculation, where they could make far quicker and far larger profits.

As this chart shows, in the name of “union-management partnership,” the unions all but banned strikes. The last national auto strike was in 1976 against Ford. Right after World War II some three million workers went on strike, including autoworkers. Again, in the 1970s, there were hundreds of strikes, including wildcat strikes by autoworkers in Lordstown and Detroit. Last year, there were a total of seven major work stoppages involving 1,000 or more workers, the second lowest number on record, compared to over 400 in the mid-1970s.

The suppression of strikes by the unions gave a free hand to the corporate and financial oligarchy, the richest one percent, to realize a vast increase in its wealth.

Ten years ago there was a global financial crash, which was caused by the speculation and criminality of the same Wall Street bankers who are behind the shutting down of industry after industry. They crashed the economy and the working class paid for that crisis.

Almost exactly ten years ago, Obama’s incoming chief of staff, Rahm Emanuel, an investment banker himself, met with a group of corporate executives. This is what he had to say:

“This crisis provides us with the opportunity to do things you could not do before,” he said. In other words, yes, there had been wage-cutting and plant closings, but there was still some unfinished business to take care of. We had to go after education and health care, we had to further deregulate corporations, and, above all, we had to go after those remaining sections of workers who enjoyed certain social rights. That meant going after the autoworkers, who, after generations of struggle, had won some basic social rights.

During the 2009 bankruptcy restructuring of GM and Chrysler, Obama recruited former private equity investors like Steven Rattner and other corporate asset strippers for his auto task force. As a condition for a federal loan agreement for GM and Chrysler, he demanded sweeping concessions from autoworkers, which the UAW was happy to give.

UAW President Ron Gettelfinger agreed to reopen the contracts in 2009 and agreed to make all new-hires second-tier workers, earning half the pay and far inferior benefits than so-called legacy workers hired before 2007. Even though the “Jobs Bank” had been whittled down for years, the auto task force insisted on its complete elimination, denouncing as absurd the notion that workers should have some kind of income security after plant closings and layoffs.

These are the remarks of Obama in 2009.

In return for the imposition of “painful concessions” on workers, the

UAW was handed control of a multi-billion-dollar retiree health care trust, or VEBA, along with millions of shares in General Motors and Chrysler stock. When GM announced the plant closings two weeks ago, the value of GM shares controlled by the UAW increased by \$214 million.

The UAW agreed to more concessions in 2011 and 2015, including the elimination of the eight-hour day, the establishment of the Alternative Work Schedule, and a vast expansion of temporary part-time workers, who pay unions dues but have absolutely no rights. In 2015, workers erupted against a UAW-backed contract that maintained the hated two-tier system, AWS, and sought to extend the VEBA to a union-run health care system for current hourly and salaried employees.

The UAW was able to ram through contracts at Fiat Chrysler and the other automakers only through a campaign of lies, threats and intimidation, threatening workers with plant closures and jobs losses if they rejected the sellouts. At Ford, the UAW claimed the contract passed by a razor thin 51 percent amid charges by workers of outright vote-rigging.

All those who claim that the UAW and the other unions can any longer be described as “workers’ organizations” are lying. As every autoworker knows, the UAW is a business. It is a cheap-labor contractor and industrial police force for management.

If any more proof was needed of this fact, it is the corruption scandal engulfing the organization, which has exposed the fact that top UAW executives received millions of dollars in bribes from Fiat Chrysler in exchange for pushing through concessions contracts.

What is the UAW? One need only look at its financial filings.

According to its 2017 filing with the US Labor Department, the UAW has assets worth \$1.06 billion, not including the multi-billion-dollar VEBA. It invests \$684 million in private equity funds and other Wall Street ventures and pays out \$75 million to its executives and hundreds of staff members, including relatives put in cushy stenographer jobs. It spends nearly \$100 million on “representational activities,” \$57 million on “general overhead, union administration and undefined benefits.” It functions as a corporation.

By contrast, the UAW spent only \$2 million—or 1 percent—on payments out of its strike fund, which is worth \$760 million.

UAW executives are on the other side of the class divide. Their wealth increases as the wealth of the working class decreases. The luxurious lives the union leaders lead are made possible by the cuts and concessions they have imposed upon workers, who are finding it increasingly difficult to make ends meet.

The “unions” do not unite workers, they divide them—between tiers, between plants, between countries. They do not address workers’ grievances, they throw them in the trash. They do not fight speedup or plant closings and layoffs, they facilitate them. They function as tools and partners of corporate management, sharing in the profits sweated out of the workers.

Every union is the same. Randi Weingarten, the president of the American Federation of Teachers, is paid \$513,000. There is no doubt these people are millionaires and belong in the top one or two percent income bracket. It would be folly to believe that these organizations will defend workers.

It is entirely up to us workers to mobilize our strength to fight against the plant closings and the efforts to blackmail us into accepting more concessions. It is up to workers to defend the right of every worker to a job. We insist that a good-paying and secure job is not a luxury granted to workers, it is a social right that has to be fought for by all workers. In such a fight our allies are the workers throughout the US and the world.

The working class is beginning to fight back and this meeting itself is an indication of that. The fact that we have workers from throughout Michigan, from Indiana and other states, a coal miner from Pennsylvania and Shannon Allen, who has led the fight of Amazon workers, shows that

the working class is beginning to assert its interests against the rapaciousness of the banks and corporations.

The resolution states: “Opposition among autoworkers to plant closings, declining wages and working conditions is part of a resurgence of class struggle throughout the United States and internationally.”

All around the world, workers are beginning to fight back. This year has seen mass protests against austerity in Iran, mass strikes in Germany, the mobilization of workers in France against right-wing labor reforms and strikes by teachers and lecturers throughout Latin America and the Middle East. In the United States, there was a series of strikes by teachers, which developed in opposition to the unions. The unions worked to isolate each separate struggle and impose defeats. A quarter-million UPS workers rejected a concessions contract supported by the Teamsters, only to have the contract rammed through by the union anyway.

The year is coming to an end with explosive struggles in France, where the “yellow vest” protests against regressive taxes are developing into a broader fight of workers and youth against social inequality and the right-wing policies of former investment banker Emmanuel Macon, the “president of the rich.” Tea plantation workers in Sri Lanka are mounting strike action despite union opposition. Strikes involving hundreds of thousands of workers are shaking South Korea, Chile and other countries.

In order to carry forward their struggle, workers must rely on their own strength and not fall for the snake oil salesmen and professional purveyors of lies in any faction of the political establishment.

The battle lines are being drawn. The entire political establishment is lining up against the autoworkers.

When you see Trump and the Democrats bemoan the plant closures, you should ask yourself: Who is lying more? Who is the greater hypocrite? Is it Trump, the billionaire who said neo-Nazis were “good people” and made his fortune raising the rents on New York City workers in his slumlord housing developments?

Or is it the Democrats, who, with the Republicans, have overseen 40 years of plant closures in Michigan, Ohio, Indiana, Missouri, Pennsylvania and across the country?

It is hard to tell who is worse, but we must not put our faith in either of these corporate-controlled parties. Both are sworn enemies of working people.

The international scope of the attack on the working class exposes the lies of the UAW, President Trump and the Democrats, who blame Chinese and Mexican workers for the destruction of jobs and living standards. These jobs are not being taken away by other workers, who are also facing ceaseless attacks, but by giant corporations and Wall Street banks. The cause of this is not unfair foreign trade, let alone immigration, but capitalism, a system that subordinates the most basic necessities of life to profit and the insatiable appetites of a corporate and financial aristocracy.

Based on these considerations, the conclusions follow. “Therefore, this meeting resolves to establish rank-and-file committees, independent of the UAW, Unifor and other unions, in all the affected workplaces and neighborhoods, to organize opposition to the plant closures, including preparations for a demonstration in January.”

These committees, the resolution further states, “will advance the interests of workers in opposition to the dictates of corporate management. They will mobilize workers on the basis of their own demands, including abolishing the two-tier system, transforming temporary work into full time positions, and fighting for industrial democracy.”

They will demand that workers have unrestricted access to all corporate and union financial records and oversight over all negotiations and contract votes. And finally, these committees will establish “lines of communication and collaboration with all workers, including auto parts workers, teachers, Amazon workers, service workers and others—and fight for the unity of American workers with our class brothers and sisters in Canada, Mexico and the rest of the world.”

The working class is only as strong as it is unified internationally. No section of the workers can take on the international corporations from one country alone. This is a class struggle. But it must be given an organizational and political direction and leadership. Rank-and-file committees will give workers a voice, give them a megaphone, give them a means to educate themselves politically, and give them a place to democratically discuss and strategize with their fellow workers without fear of retribution.

This meeting is itself a powerful expression of the growing opposition and consciousness of the working class. I want to open this meeting now to discuss the resolution as the basis for developing a powerful movement of the working class.



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