

# Volvo Trucks to lay off 700 at New River Valley plant

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Volvo Trucks North America announced 700 layoffs last month at its New River Valley manufacturing plant in Dublin, Virginia. Company executives cited declining orders for heavy trucks as the reason for laying off nearly a third of the workforce at its only production facility in North America, which will take place in January.

Volvo's announcement of 700 layoffs follows the recent strike at Mack Truck—a Volvo affiliate company—during which Volvo idled the NRV plant. Despite the unity of ownership between Mack Trucks and Volvo, the latter nonetheless called the shortage of engines and other parts during the 12-day strike a “supplier issue” even though it stemmed from a labor dispute of an affiliate company.

At the same time, the UAW worked to shut down the Mack Truck strike altogether and foist another sellout contract onto the membership. The UAW forced through a sellout contract, with paltry wage increases canceled out by inflation and no limitations on the company's widespread use of temps.

UAW local 2069 has not made so much as a single Facebook post acknowledging the layoffs, or even a perfunctory instruction on getting unemployment benefits. This passive acceptance mirrors the UAW's role in all of the recent Volvo contracts and layoffs, as well as the role of the trade unions in every major struggle for the past four decades.

The layoffs were announced roughly one year after General Motors announced that it intended to shutter five North American factories, including the historic Detroit-Hamtramck and Lordstown assembly plants, as well as the Oshawa plant in Canada. The UAW did not lift a finger to defend the thousands of jobs threatened by the closures, which violated a worthless moratorium on plant closures in the GM contract.

After shutting down the month-long strike at GM in October, which it was forced to call by overwhelming opposition from autoworkers, the UAW agreed to a sellout that ratified the closure of three out of the four US plants (with the fourth, Detroit-Hamtramck, currently idled until 2021 for retooling), and allowed for the closure of a distribution center on the West Coast.

The UAW and Unifor, its Canadian counterpart, responded to the plant closures by waging a toxic nationalist campaign blaming Mexican workers for the closures, and demanding that GM fire workers in Mexico instead.

In reality, workers of every country have the same class interests, and confront attacks from the same giant transnational corporations. The anti-Mexican campaign unfolded as 70,000 Mexican auto parts workers rebelled against their unions and went on strike in the border city of Matamoros. Many marched to the border to appeal for support from US workers, chanting, “Gringos, wake up!” Recently, seven Mexican GM workers were fired for supporting the strike in the US. They have published an open letter to Americans workers appealing for their support.

At the 2008-09 contract talks, the UAW imposed a two-tier wage system on workers at NRV, pitting a “legacy” or “core” group against all workers hired after a certain date. In the 2016 contract talks, the UAW kept workers in the dark about contract details for months—from April when they claimed the contract was ratified, until September—when Volvo prepared a fresh round of layoffs (See: “Volvo to lay off 500 workers at Virginia truck plant”).

In addition to the labor-management services of the United Auto Workers union, Volvo garners enormous financial support from the state government, which

recently approved a \$16.5 million incentive package for planned expansions at the NRV facility. Pulaski County recently gave Volvo 221 acres of land and pledged \$500,000 of infrastructure spending to support the NRV plant.

Although the heavy truck industry is expected to have recorded a sales record of more than 300,000 units in 2019, Volvo—which purchased competitor Mack Trucks in 2000—projects an industrywide sales decline for 2020 of 100,000 units. The company expects to record 35,000 Class 8 truck sales this year, down from a high of 37,000 in 2015. Kenworth Truck company also laid off about 100 workers in early November.

Industry analysts blame the decline on a broad weakening of U.S. industrial activity—including four straight months of declining manufacturing orders—and on fears that trade-war policies with China will undermine the need for freight capacity. Because trucking companies usually place orders to replenish their fleets between October and December each year, the low number of orders to date implies that only the most urgent replacements are being purchased, and that fleets are not expanding.

A recent article in the *Wall Street Journal* reported that freight-hauling companies ordered 17,300 Class 8 trucks in November, down 39 percent from November 2018 and a 21 percent decrease from October. The low numbers made for the industry's worst November in four years.

U.S. domestic freight shipments fell 5.9 percent in October compared with the same month last year, while truckload linehaul rates were down 2.5 percent year over year, according to freight payments processor Cass Information Systems Inc.

Other firms in the industry have already announced layoffs in response to declining orders. Daimler Trucks North America LLC reported in October that it planned to lay off about 900 workers at two North Carolina Freightliner plants and several hundred more in Mexico. In the same month, engine maker Cummins Inc. cut its earnings forecast and announced plans to lay off about 2,000 workers early next year.

The developing crisis in world manufacturing is the product of the capitalist system. Ten years since the Great Recession of 2008-2009, the ruling class has continued to starve the real economy from capital investment, and slashed wages and benefits for workers

to the bone, while pouring hundreds of billions of dollars into the stock market and mergers. US corporations alone sat on a cash hoard of \$1.685 trillion last year, according to Moody's. Now that this process is running its course, the bourgeoisie is demanding even more concessions from workers.

The WSWS *Autoworkers Newsletter* calls on Volvo workers and other heavy truck workers to develop a counteroffensive through the formation of rank-and-file committees, independent of the companies, unions and big-business politicians.

The author recommends:

Fired Mexican GM workers issue open letter to American workers  
[11 December 2019]

Mass abstention as UAW forces through Fiat Chrysler contract  
[12 December 2019]



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