

As GM Detroit-Hamtramck shutdown looms, media touts promise of investments

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With much fanfare, General Motors announced this week that it will invest \$2.2 billion to retool its Detroit-Hamtramck Assembly plant to build electric vehicles. When operational, the new facility will reportedly employ 2,200 workers.

As recently as 2017, the Detroit-Hamtramck plant employed 1,700. The current workforce of 800 will be laid off by the end of February, and the plant will be idled for some 18 months while it is retooled. The former employees will be forced to transfer in order to maintain employment, with some going 50 miles to the north to Flint and others going to disparate GM locations such as Fort Wayne, Indiana, with all the stress and hardship that entails.

At an event Monday, Michigan Governor Gretchen Whitmer, a Democrat, joined UAW Vice President for General Motors Terry Dittes, Detroit Mayor Mike Duggan and GM President Mark Reuss in touting the announced investment. In a press release, the governor declared, “Today’s announcement builds on a new chapter in Michigan’s automotive manufacturing heritage, proving once again that the vehicles of the future will be built, tested and deployed here in our state.”

Dittes effused, “General Motors’ announcement of new electric truck production at Hamtramck, maintaining 2,200 UAW jobs, is a testament to the perseverance of our UAW members... Over 2,200 jobs and a new technology product will deliver job security and a bright economic future for UAW members for decades to come at Hamtramck.”

The UAW boasts of having “saved” the GM-Hamtramck facility in the 2019 contract negotiations. In reality, after a 40-day strike, the UAW announced a sellout deal that sanctioned the closure of four of five plants GM had slated for shutdown, including the historic Lordstown, Ohio assembly plant. Any jobs supposedly “saved” were paid for by further inroads into the living

standards and working conditions of GM workers, including a green light for the expanded use of super-exploited temporary and contract workers, who will make up an ever greater percentage of the workforce.

In announcing its investment in the Hamtramck plant, GM is eyeing the continued flow of massive cash incentives from the Michigan state treasury, which has continued to dole out credits and tax breaks, even as GM has slashed production in the state. The state gave huge tax credits to Ford, GM and Fiat Chrysler in the wake of the 2008-2009 financial crisis. The value of the GM tax credits alone was \$2.1 billion in 2014, according to *Crain’s Detroit Business*.

The retooled GM-Hamtramck plant will build a new electric truck starting in 2021, followed by the Cruise Origin, a self-driving electric car. GM is also planning to start production of an electric version of the Hummer military vehicle. The facility currently builds the gas-driven Chevrolet Impala and Cadillac CT6, which are being phased out.

GM has released few details of its planned electric pickup, which will supposedly be the centerpiece of the new Detroit-Hamtramck facility. Ford and Tesla have also announced production of electric pickup trucks.

The Cruise Origin is still in the testing phase. The shuttle-like vehicle, developed in collaboration with Honda, will have no steering wheel or pedals, and is meant to be used for ridesharing. However, the Cruise is not certified for use on public roads, since it does not meet federal design, construction and durability standards. It is therefore planned only for use in private, closed environments, such as GM facilities. It is essentially a pilot vehicle, not meant for mass production.

Over the past year, US automakers have announced significant investments in Detroit, ravaged by decades of deindustrialization and now the poorest big city in the nation. The investments are fueled both by tax handouts

by state and local governments and what is seen as an abundant supply of cheap, highly exploitable labor.

Fiat Chrysler is investing \$4.5 billion to build a new plant in the city and expand its Jefferson North Assembly plant, adding perhaps 6,500 jobs. Meanwhile, Ford is converting the old Michigan Central train station for use as a facility dedicated to electric and autonomous vehicle development.

GM has also announced plans for a battery plant in Lordstown, Ohio in partnership with South Korean LG Chem Ltd. The plant will supply the Detroit-Hamtramck operation. However, the new facility will employ only 1,100 workers. That is less than one quarter of the number at the Lordstown assembly plant at its peak several years ago.

The workers will not be covered by the UAW-GM national agreement and will likely make far less than regular GM assembly plant workers.

Electric vehicles eliminate gas engines and require fewer parts to produce, which will have a severe impact on auto jobs.

A former GM Detroit-Hamtramck worker, now at the Romulus engine plant, told the *World Socialist Web Site Autoworker Newsletter*: “No one wants to make that long drive to Flint or Fort Wayne. Flint has already picked up a lot of people from Warren” (Warren Transmission, north of Detroit, which closed in August).

The transferred workers are in many cases displacing temporary workers at the facilities, forcing them onto the unemployment line. The attacks on temps make a mockery of the claim by the UAW of a “victory” in the GM strike, which was supposedly waged to win a “pathway” to full-time status for temp workers.

“We were out for no reason,” the worker bitterly commented. “We didn’t win anything. We were sacrificial lambs. We were out for six weeks and then they told us this is all they could get. We were never told what we were striking for.”

He continued, “They are constantly cutting jobs and not replacing people. They are particularly trying to get the older workers out. Once they are gone, they don’t have to worry about pensions,” noting that the UAW gave away pensions for newly hired workers in 2007.

The GM worker said of the tax handouts to GM, “It’s a great system if you are rich.” He added, “[GM chief executive] Mary Barra makes \$22 million, and when she comes to the plant she has more security with her than the president, including armed guards.”

Developments in technology have made possible the use

of electric and self-driving vehicles with a potentially revolutionary impact on transportation. The necessity to curtail the use of fossil fuels to combat a pending global climate disaster makes this transformation urgent. However, within the framework of the anarchy of the capitalist market and the drive for profit, such a convulsive change promises only hardship on the working class, which will be made to bear the overhead cost of this transformation.

A recent report published in the *Wall Street Journal* cited predictions that global auto companies would spend \$225 billion on electric vehicles over the next few years, adding the caveat, “but analysts aren’t convinced the big bets will pay off.”

Electric vehicles cost \$10,000-\$20,000 more than similar gasoline-powered vehicles. The *Journal* noted that long-distance travel in an electric vehicle is “daunting” due to difficulties recharging and is particularly difficult in cold weather, which tends to drain batteries more rapidly. In this respect, the newspaper said, California-based Tesla is far ahead of the Detroit automakers in the provision of charging stations.

Instead of a rational, global plan to shift to electronic and self-driving vehicles, including infrastructure such as charging stations, the piecemeal introduction of the new technology will likely produce chaos. At present, owning an all-electric vehicle is impractical for the typical American worker. In addition to the inflated price of the vehicle, the cost of installing a home charging station is around \$1,400, while recharging on the road is a very time-consuming task. Most battery-powered vehicles carry a charge that provides significantly less mileage than a standard fossil fuel vehicle.



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