

Payoff for the capitalists, layoff for the workers

General Motors announces \$20 billion share buyback for Wall Street, while closing Brownstown battery plant

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General Motors announced Tuesday that it is authorizing another \$20 billion in stock buybacks, on the same day that the closure of its Brownstown battery plant south of Detroit was confirmed. The announcement comes amid continuing layoffs and the dismantling of production capacity at facilities across North America.

The new multiyear authorization follows the completion of a \$6 billion buyback program announced in January. GM reported \$3.3 billion in net income for the third quarter and raised its estimate of cash generation for the year. The company has repurchased nearly \$30 billion in shares over the previous five years. Its outstanding share count has fallen from roughly 1.2 billion at the end of 2023 to 849 million by September 30 of this year.

The bonanza for shareholders has coincided with mass layoffs to make workers pay for mounting costs and lower than expected sales of electric vehicles. GM eliminated some 1,145 positions when it reduced its Factory Zero electric vehicle complex in Detroit to a single shift this year. The company has also cut hundreds of jobs indefinitely at its joint-venture Ultium Cells battery plant in Ohio and temporarily idled many more in Ohio and Tennessee. At Fairfax Assembly in Kansas City, hundreds of workers have been laid off.

Earlier this year, one former Factory Zero worker told the *World Socialist Web Site* that he had worked 12-hour shifts before being laid off again and losing his health insurance. Watching GM's share price rise, he remarked: "Stock prices are going up, and it's not trickling down."

Brownstown provides a particularly bitter epitaph to the promises of a manufacturing renaissance. In January 2010, Obama's energy secretary Steven Chu appeared at the plant as GM began producing lithium-ion battery packs, following \$106 million in federal Recovery Act funding for the project. The facility once employed roughly 300 people; fewer than a dozen now remain. GM says the plant will close when the lease expires in summer 2027 and offers the remaining workers other placements. The bulk of the workforce has already been dispersed.

United Auto Workers President Shawn Fain responded to the buyback with a florid denunciation of "legalized mass looting." This statement was designed to conceal the UAW bureaucracy's

role in imposing the concessions which have made this looting possible.

"When we bargained our UAW contract with GM in 2023, the media and the company acted like it was the end of the world for autoworkers to get a raise," he claimed. In reality, the 2023 contract was entirely on management's terms. On November 29, days after the GM contract was ratified, GM announced a \$10 billion accelerated buyback. CEO Mary Barra assured investors that GM's next budget would "fully offset the incremental costs" of the new labor agreements by reducing costs elsewhere. That was GM's verdict on Fain's "victory."

The layoffs followed immediately. In December 2023, GM announced roughly 1,300 job cuts at Orion Assembly and Lansing Grand River. An October 24 notice concerning Orion—issued before the tentative national agreement was announced—stated that union representatives had already been notified of the planned layoffs. At Stellantis, meanwhile, thousands of supplemental workers whom the UAW had promised a path to permanent employment were instead fired in the months following ratification.

"Why don't 80 percent of GM's autoworkers have a pension and retirement healthcare, as they did for half a century?" Fain asked. "Why is GM nickel and diming their retirees while lavishing shareholders with billions?"

Because the UAW signed these rights away for new hires in the 2007 agreement, introducing the two-tier system and transferring retiree medical obligations to a separately administered trust, with the concessions subsequently entrenched in later contracts. Fain and other UAW bureaucrats supported that agreement.

Fain himself owes his position in large measure due to the fact that two of his predecessors in office, Gary Jones and Dennis Williams, went to prison for embezzling union funds; other senior UAW officials were convicted in kickback schemes involving company-union programs.

"Who benefits?" Fain asked. "And just five Wall Street firms—companies like Blackrock and State Street—will get nearly \$7 billion out of this scam." But the UAW bureaucracy also benefited from stock buybacks for years when the union-controlled

benefit trust held billions in company stock. The trust received substantial GM stock in the 2009 restructuring, following UAW-backed concessions that had slashed new-hire wages almost in half. It continued to hold a major stake while GM spent billions on repurchases, and the UAW also had a former union vice president on GM's board. The trust sold its remaining directly held GM shares in February 2021.

Fain continued: "We will remember when we are back at the bargaining table in 2028." A consolation, no doubt, to workers who have already lost their jobs. But in two years, under the pretense of negotiations, UAW officials will prepare another round of concessions.

Hardly any autoworkers will believe Fain's grandstanding. They already rendered their verdict in the recent union election, where more than 90 percent of eligible UAW members did not vote and Fain was returned to office with the votes of only about 6 percent of the eligible membership. This was a mass boycott of the apparatus. "Workers have no faith or trust in the UAW anymore," a Nexteer worker told the WSW.

The union and its federal monitor also enforced restrictions on socialist Mack Trucks worker Will Lehman's opposition campaign for UAW president, which was centered on the abolition of the bureaucracy and putting rank-and-file workers back in control, while many members reported receiving no ballot or notice of the vote.

While Fain wags his finger today, in May 2025, he celebrated GM's investment in V-8 engine production, declaring that Ford and Stellantis should "learn from GM." A month later, the UAW hailed GM's \$4 billion plan to shift and expand production at three US plants as a triumph of Trump's auto tariffs. As late as July this year, then-UAW GM department head Mike Booth boasted that the union had supposedly secured \$16 billion in investment commitments, guaranteeing, he claimed, the future of its members.

The bureaucracy operates as a direct adjunct of management. Under its 2023 agreement, union officials participate in implementing GM's Global Manufacturing System, joint competitiveness reviews, sourcing discussions and workforce-management programs. GM finances joint activities that employ or reimburse qualifying union personnel. The apparatus helps police productivity and costs while treating layoffs as inevitable.

Fain's statement also appeals to nationalism, denouncing "Corporate America" for "destroying this country" by "choosing Wall Street profits over blue collar America." He completely ignores the fact that autoworkers all over the world are facing deep cuts. GM has eliminated hundreds of jobs at Oshawa, Ontario, and idled its CAMI operation in the Canadian province. Volkswagen and IG Metall agreed to eliminate more than 35,000 jobs in Germany by 2030, and the company's global works council says management is planning a worldwide wage freeze through 2030. Porsche has announced a further 5,000 cuts in Germany under an agreement with its works council and union.

Modern auto production connects workers across continents in world supply chains. This creates immense possibilities for a common struggle by autoworkers in the United States, Canada, Mexico, Germany and elsewhere. In Mexico, for example,

Volkswagen workers at Puebla have twice rejected union-backed agreements; on October 15 they voted 3,135 to 2,452 against the latest deal, despite management's threats over the plant's future. In Canada, 9,000 Stellantis workers have voted overwhelmingly to strike.

But realizing this potential for joint international action requires a rebellion against nationalist union bureaucracies that pit workers in each country against one another. Such a struggle also requires independence from the corporate parties, with whom the UAW officials also have deep ties. Fain enjoyed deep ties with President Joe Biden, who made repeated public appearances with him and appointed him to the Export Council. Now Fain embraces Trump's auto tariffs with only modest criticism as to its form and targets, and praises automakers for shifting production to the United States even when workers in other countries lose their jobs.

Last October Fain hailed Stellantis's decision to cancel Jeep Compass production planned for Brampton, Ontario, and move it to Belvidere, Illinois, as a victory for American workers. A recent union white paper proposes one-to-one production-to-sales quotas backed by punitive tariffs, threatening sweeping cuts and layoffs to Mexico's export-oriented auto industry, while offering union officials a role alongside governments and industry in reorganizing North American supply chains.

Years of betrayals have produced an immense accumulation of opposition among rank-and-file workers. The widespread abstention in the UAW election shows that this opposition is seeking a new outlet.

Rank-and-file committees, controlled by and accountable to workers themselves, must provide that outlet through independent organization and collective action. Linking workers across plants, companies and national boundaries, these committees will organize a fight to defend every job, secure pensions and decent living standards and reject the blackmail of corporate competitiveness. The answer is an internationally coordinated struggle for workers' democratic control over the auto industry and its vast productive resources.



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