

General Motors announces mass layoffs of workers in the US

By Jerry White
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General Motors officials on Monday announced that it would eliminate one of the two production shifts at its Detroit-Hamtramck assembly plant and cut 1,192 of the factory's 3,000 jobs. The cuts, which will begin March 5, are in addition to thousands of other temporary and permanent layoffs announced by the US's largest automaker in recent weeks.

Citing a slowdown in less profitable passenger car sales, the company announced Monday it will close five assembly plants, including Detroit-Hamtramck, for one to three weeks in January, idling over 10,000 workers. The other plants effected are Fairfax Assembly in Kansas City, Kansas, for three weeks; the Lansing Grand River plant in Michigan for two weeks; and plants in Lordstown, Ohio, and Bowling Green, Kentucky, for one week.

In addition to the shift elimination in Detroit, GM announced last month that it was suspending third shifts at the Lordstown and Lansing Grand River plants, also in January, resulting in the layoff of 2,000 workers.

Other major firms are using the holiday season to slash their workforces. Boeing Commercial Airplanes has slashed 6,000 jobs in the state of Washington alone this year. The company's CEO, Kevin McAllister, warned, "While we have made progress in reducing costs and improving affordability, we will need to do more in 2017."

The earthmoving equipment manufacturer Caterpillar, after laying off 10,000 employees last fall, said last week that it will issue another round of pink slips without specifying how many. Xerox, which is splitting in two before the year's end, warned of coming layoffs, which will likely hit the 39,000 employees at Xerox's "legacy" copier business.

GM shares rose a quarter of a percent on the announcements as part of an orgy on Wall Street that saw the New York Stock Exchange rise to just short of

20,000 points on Tuesday. The corporate and financial elite has no intention of letting up on the relentless attack on the jobs, wages and health and pension benefits of workers. The ruling class anticipates huge profits as the incoming Trump administration slashes corporate taxes and regulations.

Trump has tapped GM CEO Mary Barra for a seat on his 16-member economic policy team, along with Stephen Schwarzman, CEO of the investment firm Blackstone; JPMorgan Chase CEO Jamie Dimon; and former General Electric CEO Jack Welch.

According to a Worker Adjustment and Retraining Notification Act (WARN) filing that GM sent to Michigan authorities Monday, about half of the affected workers at the Detroit plant are temporary workers, nearly 80 work at GM Manufacturing Subsystems LLC, a subsidiary of GM, and 32 are salaried workers being transferred to other plants.

In a callous statement, GM spokesman Tom Wickham said in an email, "GM adjusts its manufacturing plants' production schedules to meet market demand as part of the normal course of business." Company claims that it will relocate most of the workers are doubtful at best.

In October 2015, GM and United Auto Workers officials announced with great fanfare that a second shift would be added to the 4.1 million-square-foot Detroit-Hamtramck plant, which would absorb the 500 workers cut from GM's nearby Lake Orion facility. The announcement was timed to dampen opposition from GM's 53,000 US workers to the UAW-backed concessions contract, which Fiat Chrysler workers had rejected by a 2-to-1 margin.

In addition to retaining the hated two-tier wage and benefit system and keeping total labor cost increases below the rate of inflation, the UAW contract facilitated the layoff of workers in an economic downturn. It expanded the use of low-paid temporary workers who

could be hired and fired at will and sanctioned the Detroit automakers' plans to end mid-size and small car production in the United States.

As a result, GM has seen record profits, including \$2.8 billion in the third quarter, exceeding Wall Street estimates and doubling profits from a year earlier. The company, which had a cash hoard of \$21.5 billion as of September, spent \$5 billion to buy back its own shares this year and plans to buy back another \$4 billion by the end of 2017.

While throwing workers onto the street, billions have been squandered to boost the returns of its richest investors. This includes Barra herself, who saw her total compensation rise 77 percent in 2015 to \$28.6 million. The UAW, whose former vice president Joe Ashton sits on GM's board of directors, has also been a major beneficiary. The UAW still owns a substantial block of GM shares through its control of the multibillion-dollar retiree health care trust.

The UAW International and UAW Local 22 did not issue any statements on the layoffs, and neither returned phone inquiries from the *World Socialist Web Site*.

Workers at the plant, however, were livid over the announcement.

"I'm not happy," Michelle, who has worked at the Detroit-Hamtramck plant for eight and a half years, told the WSWS. "People were upset at the plant meeting yesterday. No one could understand why they added the shift eight months ago if they were going to get rid of it eight months later.

"There were no union representatives on stage. It was getting ugly. Some workers had just bought GM cars to help the company, and this is how they were paid back."

Many of the workers hired last April, she said, were being laid off before reaching one year of employment so that they would not qualify for Supplemental Unemployment Benefits (SUB) pay from the company. "They're being laid off on March 5, just weeks before the April cut-off date," she said.

"Everybody's scared about the economy and Trump getting elected. They're selling big cars, but that is going to dry up and we could all lose our jobs. The union agreed to a cap on our profit-sharing checks, even though the company is making billions."

Carddears was hired in 2008. She worked six months and was then laid off for three years before getting a job at the Detroit-Hamtramck plant in November 2011. "It's sad what they're doing to people and shows that the economy is heading toward a dive. I don't know what's

going to happen to me.

"We do all the hard work in there building the cars, and they can just get rid of us. People were angry when they heard, and 17 workers just walked off the job. If we don't fight then we are all going to be out of work."

"Yesterday they told me I was out of a job after two years," a young worker who did not give her name said. "The union told us we had job security. That was a fraud."

The GM layoffs follow similar announcements by Fiat Chrysler and Ford in response to signs of a slowdown in the US automotive market, which has had three consecutive years of record sales. Most analysts say that the mini-boom in vehicle sales, largely spurred by low fuel prices, easy credit and pent-up demand from the Great Recession, is finally ending. GM's inventories surged 28 percent between August 1 and December 1 to the highest level in nearly nine years, according to *Automotive News*.

At Dan & Vi's Pizza on Chene Street across from the plant, a young welder at a nearby factory, Samantha, said, "They're laying these workers off before the holidays—that's ridiculous. I'm scared because I just got into the sheet metal trade, and we could lose our jobs." Her friend Samuel added, "GM got a federal bailout, and they are throwing 1,200 workers out of their jobs."

Akia, a young Chrysler worker, said, "In the four-year contract the UAW got it takes seven years to get top dollar. I'm supposed to get it by 2019—if I last that long."

Symbolizing the transformation of the former Motor City into a low-wage haven, the day after the GM layoff notice county officials announced that online retailer Amazon will open a distribution center in nearby Livonia next year and hire 1,000 workers. The facility will be built at the former site of GM's Delco Chassis factory, shut in the 1990s and demolished in the early 2000s.

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