Auto layoffs create hot political climate

by H. Graham Lowry

The United Auto Workers, born in the labor struggles during the Great Depression of the 1930s, is now under attack by the same financiers who are driving the United States into an economic collapse of far greater magnitude. The recent wave of automobile plant closings announced by General Motors has brought the union-busting desires of the moguls of corporate finance out into the open—and is fueling a new surge of militancy within the United Auto Workers (UAW) itself.

The massive contraction in productive capacity currently under way in the auto industry is not even good for General Motors, let alone the country. It also poses a major threat to the dwindling supply of skilled labor, the most precious of all economic resources. GM announced Feb. 24 that it was shutting down 14 plants employing 16,000 workers, as part of a "cost-cutting" scheme to eliminate 74,000 jobs and 21 factories over the next four years.

Beyond consigning such a major chunk of American industry to the scrap heap, however, GM also made it clear that it no longer intended to maintain the living standards necessary to skilled labor, for the workers whose plants survived the shutdowns. GM chose to keep its Arlington, Texas, plant open—over Michigan's Willow Run Assembly at Ypsilanti, for example—because the workers agreed to allow a three-shift schedule, to build cars around the clock without overtime pay.

Twelve years of Reagan-Bush economics

UAW leaders in Michigan have angrily denounced GM's open intentions to violate the company-wide contract with the union. UAW Vice President Stephen Yokich, director of the union's GM division, declared Feb. 25, "Plant-against-plant competition would only lead to an ever downward spiral of wages, benefits, and working conditions, which would be extremely harmful not only to UAW members, but to countless other American workers for which our UAW-GM contract has set an important standard." Condemning "12 years of Reagan-Bush economics," Yokich added, "Not a single vehicle is produced on Wall Street."

Wall Street itself is gloating over GM's new salvo against organized labor. In a front-page feature March 6, the *Wall Street Journal* noted, "By selecting Arlington, GM strongly signaled that worker cooperation will determine which factories will—and which won't—survive the extensive downsizing the company plans." GM chairman Robert Stempel made that clear enough when he said of the latest closings, "Innovative labor agreements and work arrangements are going to be part of our decision" on which plants remain open in the future.

The UAW does not regard such measures as "innovative." At his Feb. 25 press conference, Yokich declared, "We formed our union over 50 years ago to put an end to precisely that kind of practice by the automakers, playing off workers against each other, and we will not allow a return to those frustrating and difficult days. . . . We know how to stop it. We will do everything to enforce the contract, including a strike. . . . We're not threatening a strike, but it's an option."

A political tinderbox

The toll already inflicted on the auto industry by the current depression has certainly not left the UAW in a mood for "politics as usual" in this crucial election year. The future of the industry itself has become a highly politicized issue. Michigan's Republican Gov. John Engler further stoked the fires Feb. 27 by suggesting that auto workers offer more contract concessions to "save jobs." Last fall, he threw 83,000 destitute persons off General Relief to "save money." The GM shutdowns hit Michigan harder than any other state, with five plant closings and the loss of over 9,000 jobs. Previous auto layoffs helped push the state's official unemployment rate back up to 9% in February, the highest among the nation's industrial states.

Engler's move has added to most auto workers' rage against President Bush, already under attack for his push for a North American Free Trade Agreement (NAFTA), which would herd workers into jobs at below-subsistence wages along the Mexican border. On the Democratic side of the presidential race, self-proclaimed front-runner Bill Clinton has aggressively endorsed NAFTA; and going into the March 17 Michigan primary, the UAW leadership was backing an uncommitted slate.

Clinton, who is publicly opposed by the head of the AFL-CIO in his home state of Arkansas for his anti-union record, may have shot himself through the head, as far as labor is concerned, by embracing the Wall Street line on the auto industry. Appearing on national television March 8, Clinton declared that "workers are going to have to change their attitude toward work, [and] be willing to change all the work rules in order to be competitive." Clinton cited the concessions by workers at GM's Arlington plant as a model, "because the workers there took matters in their own hands, went against the leadership of their own union, and agreed to new, flexible work rules to be more productive in the global economy."

Voters in Michigan got a chance March 15 to hear from the only candidate with a positive solution to the current economic disaster. Democrat Lyndon LaRouche's proposals for creating 6 million productive new jobs were aired on a half-hour paid campaign broadcast (see article, page 60).