

## Labor in Focus by Marianna Wertz

### U.S. strikes attack globalization

*The corporate quest for "cheap labor" has been a disaster for both U.S. and Third World workers.*

**T**wo significant strikes are protesting the effects of "globalization" in the United States. In Flint, Michigan, home of General Motors Corp., 9,200 workers at two United Auto Workers locals are striking to stop GM's threatened layoff of up to 11,000 employees, their jobs to be shipped abroad to such cheap-labor areas as China, Thailand, and Mexico. In Philadelphia, 5,500 city and suburban transit employees have been on strike since June 2 against the Southeastern Pennsylvania Transit Authority (SEPTA), which runs Philadelphia's transit system. The strikers are protesting 47 take-away demands by SEPTA, including plans to hire 100 part-time workers with *no* benefits, and to reduce the wages of new hires to 60% of the going wage.

As the global financial system continues to disintegrate, forcing affected nations around the world to slash export prices to survive, American companies are responding by squeezing their labor forces to the bone, to remain "competitive" in an increasingly dog-eat-dog world.

In a June 12 interview with this news service, Norman McComb, first vice president of striking UAW Local 659 in Flint, pointed to the insanity of this situation: "As they continue to disinvest in this country and invest in Mexico and new plants in Korea and China and Germany and everywhere else, they are going into what they call a 'global market,' but it's at the expense of the workers and the American people, and it's not for investment overseas for their economy. . . .

"You take these Third World

countries, even in Mexico, where they don't have *any* jobs. They're willing to work for a dollar an hour. That's more money than they ever made in their life, but it doesn't even sustain them, they can't even run a home, even in Mexico. . . .

"I really don't know what these companies are thinking about, taking this work out of this country, just so they can get cheap labor and make huge profits. That's a short-sighted position for any company to take. . . . You often wonder if they ever really sat down and thought this whole thing out."

Both the GM and the SEPTA strikes have shut down significant sectors of the economy. In Philadelphia, 435,000 weekday passengers who ride the buses, trolleys, and subway elevated trains have been without public transportation since the beginning of June. On June 15, SEPTA called on the Transport Workers Union to return to work, offering only the status quo and no contract. The union swiftly declined the "offer."

The Pennsylvania Legislative Black Caucus, representing minority communities who have been disproportionately affected by the strike, has been seeking to mediate between the Transport Workers Union and SEPTA. Caucus Chairman Rep. Harold James (D-Phila.) issued a letter to SEPTA early in the strike, noting that "the harmful effects of the strike are unwarranted, considering the millions of dollars in financial support that the Pennsylvania General Assembly has provided to SEPTA." On June 15, SEPTA cancelled a meeting with

the Caucus.

The GM strikes and resulting parts shortages had forced the layoff of more than 77,000 workers by June 16, closing 13 of GM's 28 major assembly plants and 59 parts plants in the United States, Mexico, and Canada. Since the two struck Flint plants produce key parts for all of GM's auto and truck models, and GM operates on "just-in-time" inventory methods, GM plants will be out of parts by the end of June, resulting in tens of thousands of more layoffs if no settlement is reached.

A combination of the strike and the effect of the weak yen and strong dollar on overseas sales are also affecting GM's financial position. GM's stock has dropped nearly 10% since its close on June 5, when the strikes began. To date, GM's profits are down by about \$200 million, but losses are expected to increase to about \$500 million a week as production grinds to a halt.

Labor leaders involved in these strikes, from the top of the AFL-CIO on down, understand that the solution to the negative effects of globalization in the United States lies beyond the power of individual unions' ability to sustain a strike, though that is still a crucial component of any real fight. It is for this reason that calls for revising "free-trade" treaties such as the North American Free Trade Agreement, and International Monetary Fund (IMF) policies generally, to make them more "labor friendly," have become a regular part of organized labor's policy efforts.

However, as Lyndon LaRouche has made clear, what must be done is to *end* the tortured reign of the IMF and its financial masters in London once and for all, and to replace these bankrupt institutions with a New Bretton Woods financial system, under which the world economy as a whole can be restarted.