Opel works council chairman praises GM leadership

Dietmar Henning
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"We employees will refuse to make a contribution if we remain under the GM [General Motors] roof." The threat was issued by European Opel joint works council chairman Klaus Franz at the end of October. Franz made his comments shortly before GM ended plans to sell off Opel to the Canadian auto parts maker Magna International and the Russian finance house Sberbank.

At the time, the *World Socialist Web Site* noted that Franz's comment was an empty and disingenuous threat. "The work councils will agree everything" the WSWS warned. The warning has been borne out in less than six weeks, with the very same Klaus Franz now agreeing to the demands made by GM—the dismantling of 9,000 jobs across Europe and annual wage savings totaling €265 million.

The works councils and the IG Metall trade union were the driving force behind the project to sell off GM's European operations to the Magna consortium. They expected to play a greater role in the wiping out of jobs in Europe and thereby receive appropriate compensation for their services. This was to take the form of a 10 percent so-called employee financial participation scheme in the European Opel company. The body overseeing this participation would have access to extensive funds and would thus provide a huge new source of wealth for the works councils and the IG Metall union officials.

Following an initial meeting with Nick Reilly, the newly appointed GM boss in Europe, Franz complained that he had been largely left in the dark by GM management over future prospects. He had only been given a few charts "containing inconsequential information." Franz threatened to bring a lawyer to his future discussions with GM management.

In fact, the initial information was less "inconsequential" than Franz claimed. It was just that it was not to his taste. The German works council and IG Metall together with the German government had promised Magna huge sums of state aid for its takeover, which would have entailed job cuts of 11,000—i.e., 2,000 more than the job cuts currently proposed by GM. The difference with the Magna plan is that most of the 11,000 job cuts would have taken place outside of Germany at other European locations.

Under GM's plan, of the 9,000 jobs to be cut, 50 to 60 percent are to be slashed in Germany: 2,710 at Rüsselsheim, 1,799 in Bochum, 300 in Eisenach and 300 in Kaiserslautern. In addition, GM wants to close the company's factory in Antwerp, Belgium, with 2,300 workers—just as Magna had planned to do.

At the time GM's plan for massive job cuts in Germany became known, Franz declared on behalf of the works councils that "naturally we will not accept that." Franz also criticised the fact that GM was demanding the same contribution from staff as Magna—i.e., €265 million per year—but without making the concessions agreed to by the Austrian-Canadian supplier. Instead, GM had failed to make "any concrete promises" to Franz's central demands for the autonomy of Opel from its parent company and the transformation of Opel into an independent holding.

At a factory meeting of 9,000 Opel workers in Rüsselsheim last week, Reilly announced that GM would not go ahead with plans to cut 548 positions in the Rüsselsheim development department. The rest of the planned jobs cuts, however, would take place. After the meeting, he declared that Opel would also be allowed to sell cars abroad. Consideration would also be given to an to an "employee financial participation scheme" and the possible transformation of Opel into an independent holding.

Franz reacted immediately by ordering renewed concessions. "We will nevertheless go ahead with our contribution as employees," he declared for the first time since the collapse of the Magna deal.

Following a meeting on Monday in Detroit with the new GM CEO Edward Whitacre, Franz was gushing in his praise for the boss. According to Franz, Whitacre was someone who "thinks laterally" and is open to unorthodox ideas. "Whitacre is a completely different type of manager from those so far at GM," Franz told Reuters. "It is refreshing to talk to someone who has made his experiences outside of the company." His discussion with Whitacre was "encouraging," and the two men agreed to remain in contact.

The 68-year-old Whitacre was appointed to the GM executive by the US government in order to drastically rationalise the company. He had been active for more than 40 years in the telecommunications industry and stewarded, via fusions and reorganisations, Southwestern Bell into the industry giant AT&T. In 2006, he earned more than $61 million and when he left the company in 2007 pocketed a further $158 million.

Franz also supports the change in personnel in GM's international leadership that had been urged by Whitacre. The new chairman had peremptorily sacked his predecessor Fritz Henderson and took over his job on December 1. Henderson, who had been portrayed until now by Franz as a man with a heart for GM's European interests, was a proponent of a sale of Opel to Magna and had himself supervised GM-Europe from the summer of 2004 to the end of 2005.

Whitacre has made the former chief engineer, Mark Preuss, head of GM's business in North America and the former director for production development and construction, Karl Friedrich Stracke, the company's new chief engineer. In future, the European Opel and Vauxhall companies and product planning will be headed by the German Frank Weber. Both Weber and Stracke were active for many years in the Rüsselsheim development center. GM sales boss Susan Docherty takes over company marketing, replacing the 77-year-old Bob Lutz, who will now act as an advisor to Whitacre.

In addition, Whitacre arranged that Nick Reilly remain chairman of Opel Europe. Originally, Reilly had acted in a temporary capacity until a new GM European boss could be found.

Klaus Franz, a few weeks ago a bitter opponent of Opel remaining in GM, is now full of praise for the new management. This is only superficially a 180-degree about-face. The entire policy of the works councils and IG Metall is to curry favor with management through the dismantling of jobs and wages. Originally, they sought to shift these sackings and wage cuts to workers in other nations, not out of concern for German workers, but in order to defend their own revenue streams. But confronted with a new management intent on carrying out mass layoffs in Germany, the works councils and IG Metall are only too happy to play the paid executioner.

Jobs and wages can be defended only by a common fight of all GM workers—in Germany, Europe and the US. The trade unions in all countries must reject this perspective vehemently.