Layoffs hit US auto industry as sales slow

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Ford Motor Company has announced temporary layoffs at several assembly plants as car and truck sales in the US slowed from record levels set last year.

Ford said it would shut down production of its F-150 pickup truck for one week at its Kansas City assembly plant and is temporarily idling production at three other facilities. The F-150 is the best selling vehicle model in North America and a big profit maker for Ford. The downturn in sales of the vehicle points to wider signs of slump in the auto industry, which had experienced six years of growth in vehicle sales since the end of the last recession.

Earlier this month, Ford halted production of the Mustang for one week at its Flat Rock Assembly Plant in Michigan. Supplies of the Mustang remained at 89 days at the end of September, with 60 days considered adequate.

US auto sales continued their decline in October after falling in September. Ford, General Motors, Fiat Chrysler and Honda all recorded sales declines last month, while Toyota and Nissan saw gains. Sales are expected to fall more than 7 percent overall in October from the same period in 2015. Two auto industry consultants, JD Power and LMC Automotive, said Friday that sales will fall in October to an annualized rate of 17.7 million units, down form 18.1 million in 2015. If that number holds, it will mark six straight months of sales declines.

In addition to temporarily idling the Kansas City assembly plant, Ford has implemented a two-week shutdown of its Louisville, Kentucky, assembly plant. That facility builds the Escape and the Lincoln MKC. Ford said it would also temporarily halt production at two plants in Mexico, one in Hermosillo that makes the Ford Fusion and the Lincoln MKC, and one in Cuautitlan that makes the Ford Fiesta.

The Escape is one of Ford's best selling models. Sales of the vehicle fell 12 percent in September, although sales are marginally higher overall for the year. Sales of the Fiesta have fallen significantly throughout the year and fell 40 percent last month. Sales of the Fusion fell 18 percent in September.

General Motors also recorded declines in September, with sales of the Chevrolet Silverado falling 15.5 percent and sales of the GMC Sierra down 8.5 percent. GM has not at this point announced any production cuts or layoffs. However, its market share has fallen below 17 percent.

Meanwhile, French-based auto parts supplier Faurecia has announced that it is closing two plants in the Detroit suburbs due to the decision earlier this year by Fiat Chrysler to end the North American production of the Chrysler 200 passenger car to focus on production of SUVs and trucks, which have a higher profit margin. One plant is located in Sterling Heights and the other in Fraser. The cuts will eliminate about 350 jobs of workers that build seating for the 200. The affected workers were members of the United Auto Workers (UAW), which has not issued any statement on the cuts.

Another 122 jobs are being slashed with the closure of Martinrea Hot Stampings in Detroit, also related to the Fiat Chrysler moves.

Earlier this year, the UAW indicated its support for the Fiat Chrysler reorganization, which has already resulted in the indefinite layoff of 1,300 workers at the Sterling Heights Assembly Plant (SHAP) north of Detroit. The facility, which builds the Chrysler 200, will be converted starting early next year to production of a redesigned version of the Dodge Ram light truck. That vehicle is currently built at the nearby Warren Truck plant. At this point, no vehicle has been definitely slated to replace the Ram at Warren Truck, leading to speculation that the aging facility may be closed after the move.

Fiat Chrysler has also announced that it will end

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production of the Dodge Dart passenger car at its Belvidere, Illinois, assembly plant. That plant will build the Jeep Wrangler, currently produced in Toledo, Ohio.

The likely result of all these production shifts will be the permanent elimination of jobs. The phasing out of the Chrysler 200 at SHAP has already led to dislocation and economic stress for workers at that facility. Sales of the Chrysler 200 have meanwhile collapsed, with the company making no aggressive attempts to promote the vehicle.

Carrie, a veteran SHAP worker, spoke to the *World Socialist Web Site Autoworker Newsletter* about the impact of the reorganization. “We will be laid off for a lengthy period of time while they retool the plant in the process of getting a new product,” said Carrie. “A lot of the tier-two workers have been picked up by other plants, but about 300 are still on indefinite layoff.

“Some people are probably going to end up being out in the cold. With the new rules in the [2015 UAW] contract, they can do what they want with the tier-two. They don’t have a lot of protection. For some, their sub pay ran out and they don’t have any money. If they are past a certain time on layoff, they don’t have to call them back. They are leaving it up to the individual worker to know what steps they have to take to transfer to another plant.”

Carrie said that many veteran workers were angry that, as a result of the long layoff, they would not be getting their mandated vacation pay. “We are losing out on our vacation pay, because it is based on the number of hours worked. The UAW should have been fighting for us to get all our vacation pay, because it is not our fault that the company is shifting one product for another.”

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