

FCA announces temporary shutdown of Belvidere Assembly plant near Chicago

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For the third time in the last six months, Fiat Chrysler Automobiles (FCA) will be shutting down production at the Belvidere Assembly Plant, located in northern Illinois. The planned weeklong shutdown will begin on February 13. Workers just now returned to work Monday morning following a two-week layoff.

In addition to idling Belvidere assembly, FCA had previously laid off roughly 6,500 workers at its Windsor, Ontario plant for two weeks beginning January 13. Workers at the Windsor plant build the Chrysler Pacifica and Dodge Grand Caravan, while Belvidere workers build the Jeep Cherokee.

It was less than a year ago, on February 26, 2019, that FCA spokesperson Jodi Tinson announced the elimination of the third, or “C” shift at Belvidere, resulting in the loss of 1,371 jobs at the plant. In a prepared statement to the press at the time, Tinson cited the need to “align production with global demand,” as the impetus for the layoffs. Less than three months later, on May 6, the date the layoffs were to take effect, FCA announced an additional 32 employees would be fired, bringing the total to 1,403 jobs axed by the company, with no objection from the criminally complicit and perpetually indicted United Auto Workers (UAW) union.

Apparently seeing no need to update her company-approved script, Tinson, in statements to local Rockford media, referenced a “lack of demand,” and, once again, the necessity of the plant to “align production with demand,” as reasons for the, as-of-now, temporary layoffs. Tinson didn’t specify how many workers would be affected by the layoffs or if more layoffs will be necessary, citing the dictates of “production,” and the uncertainty of the future profit forecasts, thus leaving open the possibility of more, prolonged or potentially indefinite layoffs.

In *World Socialist* the *Autoworker Newsletter*, a second-tier worker at Belvidere expressed concern and uncertainty regarding the layoffs, “Workers are worried the plant is going to close, the [writing] is on the walls. No new product. [Jeep] Cherokee sales are terrible. We have too many of our own cars competing against the Cherokee, let alone the competition.”

Reflecting on the lack of transparency or communication that is characteristic of the UAW the worker stated they “haven’t said much, honestly. They just remind us that it’s the ‘slow time’ in the industry.”

Speaking on the expansion of the use of temps throughout the auto industry and the growth of contingent work, he continued, “The way this contract is written for the Big Three, they can screw anyone getting close to their full-time flip [i.e. conversion] date. I feel every year they’re gonna be able to pass a company-friendly contract that screws anyone trying to become full-time.”

While the Ford and GM contracts provide a three year “pathway” for temps to be hired as full time employees, the Fiat Chrysler contract contains only a vague commitment by the company to hire temps as full time positions become available. The UAW rammed through the FCA contract less than a week after the tentative agreement was announced, denying workers the chance to adequately study the contract. Because of this, many Fiat Chrysler workers are unaware that their contract contains no “pathway.”

“I think we have seen the death of a full-time workforce in the auto industry,” the worker concluded. “If you aren’t full-time now, who knows when it might happen..”

The layoffs at Belvidere and Windsor follow last

week's announcement by Ford that it would be temporarily laying off 270 workers at its stamping plant in suburban Chicago Heights, nearly 23 percent of the plant's workforce. The week prior, General Motors announced the firing of 240 temporary workers at its Fort Wayne Assembly, located in northern Indiana.

While overall sales of FCA vehicles, including Jeep, Chrysler, Ram, Fiat, and Maserati have declined in the past year, FCA still reported a net profit of \$1.2 billion through the first nine months of 2019, with North American auto sales accounting for 90 percent of that profit.

The company is in the midst of a \$50 billion merger with French-based PSA Group. Once the merger is complete in the next 12 to 15 months, PSA CEO Carlos Tavares will head the new conglomerate. Tavares has been glowingly cited by industry publications as a "turn around expert" and "savage cost-cutter." Before the merger is set to complete shareholders are to receive a \$6.07 billion special dividend payment.

These layoffs are part of the global restructuring of the auto industry, which has two related goals. The first is to trim "excess capacity" by closing plants and firing tens of thousands of autoworkers in response to a growing downturn in the industry, driven by slumps in emerging markets and the impact of Washington's turn towards war with China.

The second is to prepare for the implementation of new electric and autonomous vehicle technology, which is expected to have the most sweeping impact on the industry since Henry Ford's introduction of the assembly line. Because they require fewer components, electric vehicle manufacturing will require a much smaller workforce.

The UAW has done nothing to oppose these devastating job cuts and layoffs. Indeed, much of the union's top leadership, including the current and former two presidents, have been implicated in a massive bribery and corruption scandal, which revealed that union negotiators accepted millions in bribes from Fiat Chrysler. While the union enjoys a no less cozy relationship with the other US automakers, the scale of the bribery scheme at FCA was such that GM, in a recent lawsuit, described the union as an "FCA-controlled enterprise."

As industry analysts for the Center for Automotive Research made clear during a teleconference call two

weeks ago, the companies maintained "a lot of flexibility" in the 2019 contracts, and that "decisions about where the companies are going to make their products remains on the company side." In addition to "flexibility" in which factories are to remain open, the UAW ensured the companies maintained maximum flexibility in terms of the continued proliferation of part-time and temporary workers.

The 2019 FCA contract contains a "moratorium" on plant closures with so many exceptions as to render the clause meaningless, and leaves the status of the Marysville Axle plant after 2021 unresolved. Similar clauses were also included in the GM and Ford deals. In addition, every contract over the last several decades has contained a "management's rights" clause granting the "exclusive right" to direct its affairs.

A major objective of last year's contracts was to force out much of the older "legacy" workers. This includes a "special attrition" program offering a \$60,000 lump sum payment to older workers who retire early.

The status of the Belvidere plant is made more precarious by the major investments planned in the city of Detroit, where FCA is reaping hundreds of millions in local government incentives to expand production in the city. The project, which includes an expansion of the existing Jefferson North Assembly Plant and the re-opening of the Mack Avenue Engine Complex, may render the Belvidere plant redundant.



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