

As US smashes records for new coronavirus infections, Ford and Fiat Chrysler report blowout profits

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The World Socialist Web Site Autoworker Newsletter is helping workers to build rank-and-file committees, in opposition to the United Auto Workers' treachery, to oppose the unsafe working conditions during the pandemic. To join or to form a committee at your plant, contact us at autoworkers@wsws.org.

In a clear demonstration of the capitalist ruling class' real priorities in response to the pandemic, Ford and Fiat Chrysler have reported a third quarter surge in profits, beating all expectations, even as the coronavirus continues to spiral out of control.

Ford's profits rebounded to \$2.4 billion in the quarter ending September 30, up from \$425 million in the same quarter last year. Fiat Chrysler reported \$1.4 billion in earnings in the same period, including record profits in North America despite a fall in sales. General Motors, which does not report its 3rd quarter results until November 5, is expected to also report strong profits.

Ford also said it had paid off the nearly \$15 billion dollar credit lines that it drew down earlier this year, after a wildcat strike wave forced a two-month closure of the Detroit automakers' North American facilities during the initial wave of the pandemic.

North American automakers built 4.1 million vehicles in the third quarter, the same number as last year. Despite the explosion of COVID-19 cases across the industrial Midwest, Fiat Chrysler and other automakers have no intention of even a temporary pause in production. FCA says it now expects to earn an operating profit of between \$3.5 billion and \$4.1 billion in 2020.

The financial results for the Detroit automakers starkly reveal how all attempts at a rational and scientific plan to halt the pandemic collide with the

capitalist profit motive. The increase in profits is the direct consequence of abandonment, by both management and the federal and state governments, of serious measures to contain the spread of the virus in favor of a rapid reopening of the economy to repay the trillions pumped into the major corporations by the Federal Reserve.

This is now leading to a massive resurgence of infections and deaths. Yesterday saw more than 91,000 confirmed new infections, shattering the previous record set only the day before.

This has been accompanied by the removal of limited emergency financial aid for the unemployed aimed at applying economic pressure on workers to return to the factories at the risk of their health. This, combined with massive layoffs in the service and travel sector, has resulted since May in an eight percent increase in the number of Americans living in poverty.

The imposition of such deeply unpopular and homicidal policies is bound up with the Trump administration's mobilization of far-right forces. The right-wing conspiracy to murder Michigan governor Gretchen Whitmer was reportedly facilitated by the right-wing protests in Lansing in the spring against the lockdowns, where many of the future co-conspirators met.

Even the largely cosmetic safety protocols introduced in May with the restart of auto production are being systematically discarded, with the full support and collaboration of the United Auto Workers union. Workers report that health screenings are being conducted in a slipshod and perfunctory manner. Even the wearing of masks is not being universally enforced. In September, FCA also eliminated the extra five

minutes which had been added to break times to allow for cleaning.

In a stark example of the inhumane working conditions which prevail in the factories, workers on the late shift at a Detroit-area FCA plant told the *World Socialist Web Site* that the absence of medical staff on their shift meant they had to give first aid by themselves to a coworker who suffered a serious head injury, until paramedics arrived. “The workers were using dirty rags to clean his head up and the quality of first aid was not good. If this had been a dismemberment or something where a tourniquet was needed, the worker would have been dead,” one worker told the *World Socialist Web Site*.

A recently leaked internal FCA report showed that there had been two COVID-19 deaths and 59 infections at Jefferson North Assembly Plant through mid-October, numbers that the UAW and management had kept hidden from workers. Similar cover-ups are occurring at plants around the country.

The profit reports also are a reflection of the way in which the automakers are leveraging the pandemic to accelerate a long-planned restructuring of the workforce. The threat of sickness and death has also been used to drive older, more vulnerable workers out of the factories through early retirements and extended leave, while thousands of low-paid temporary part time workers with no contract rights have been brought in to the plants.

According to a recent report, wages for temporary workers in the auto industry are so low that the auto industry is struggling to compete with Amazon and other low-wage employers for new hires. The starting wage of \$15 an hour for jobs at the retail giant’s fulfillment centers is 20 percent higher than standard pay at most auto parts factories.

As a consequence, auto companies have taken to extracting more labor out of their existing workforce, imposing forced overtime and six-day workweeks. For example, at FCA Sterling Heights Assembly Plant north of Detroit, management is imposing a 12-hour, 7-day work schedule for the skilled trades. Production workers at the plant are routinely forced to work 50 hours a week or more.

Even after the pandemic is over, the industry’s shift to electric vehicles and the launch of electric cars will be used to further drive down costs. Electric vehicles

have fewer moving parts than gas driven vehicles and require significantly less labor to build, cutting man-hours per vehicle from 6.7 to 3.7.

There is every indication that investments in new EV plants will be contingent on even further concessions from the UAW which reduce autoworkers to the level of gig economy workers. For example, GM’s new battery plant in Lordstown, Ohio, a short distance from the shuttered Lordstown Assembly Plant, will pay wages of just \$15-\$17 an hour, far less than that currently earned by most assembly workers. General Motors has also invested \$75 million in EV startup Lordstown Motors, which will produce the Endurance electric truck starting next year, at an expected substandard pay rate of around \$17 an hour.

In opposition to the homicidal drive to sacrifice workers’ health and safety for profits, the Socialist Equality Party and the *World Socialist Web Site* are helping workers develop rank-and-file safety committees in auto plants and other workplaces. These committees are fighting to mobilize workers around the country and the world around a series of common demands, including full transparency on the spread of the disease, universal testing with full compensation for workers who are forced to go into quarantine after exposure and the collective right of workers to halt production if necessary to protect lives. The working class must organize to demand that the full industrial, financial and scientific resources of society, coordinated on an international scale, must be brought to bear against the pandemic.



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Socialist Equality Party visit:

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