US auto corporations announce more layoffs in North America as global semiconductor chip shortage continues

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General Motors and Ford, along with Stellantis, have all announced extended plant shutdowns across North America over the past week. All three corporations have cited the global shortage of available semiconductor chips as the reason for the shutdowns, which will place thousands of US workers on temporary layoffs after the Labor Day weekend.

The semiconductor chip shortage has impacted the auto industry since January 2021. Production at chip makers throughout the world, which is globally concentrated in Taiwan, was disrupted by government lockdowns aimed at controlling the spread of the SARS-CoV-2 pandemic. Further disruptions were caused by the demand and allocation for chips in the communications technology sector, as corporations saw a rise in demand for laptops and wireless devices as more workers and students shifted to remote work and learning.

In the auto industry, semiconductor chips are used in infotainment systems, navigation systems, driverless technology and heated seats. It is estimated that the average vehicle built with these systems requires 50 to 150 chips. The ongoing shortage is exacerbated by the fact that the global pandemic continues to cause outbreaks among workers worldwide and spurs labor shortages as well as limited lockdown measures that interrupt production and supply chains.

GM will halt production at eight plants in North America starting next week. It will close its pickup truck plants in Fort Wayne, Indiana and Silao, Mexico for at least one week starting Monday. It will idle its Wentzville, Missouri plant for at least two weeks, where workers build mid-sized pickups and large vans. The plants in Lansing Delta Township in Michigan and Spring Hill, Tennessee, where workers build midsize SUVs, will also idle for two weeks. Its CAMI SUV plant in Ontario, Canada and the SUV plant in San Luis Potosi, Mexico will be idled through the week of September 27. Ramos Arizpe Assembly in Mexico will also remain shut down through September 13.

While most production workers will not work during the shutdowns, GM is intent on continuing to generate profits at any cost and will keep parts of some of the plants running. Dan Flores, a GM spokesman, told *USA Today*, "During the downtime, we will repair and ship unfinished vehicles from many impacted plants, including Fort Wayne and Silao, to dealers to help meet the strong customer demand for our products."

It is unclear what kind of final assistance, if any, is being offered to workers by the corporations or the unions at the plants, including the United Auto Workers in the US and Unifor in Canada. In the US, workers have struggled financially during the revolving door of plant shutdowns due to the impact of the global supply shortage of chips throughout 2021.

Ford has also announced two-week production shutdowns at three plants that produce trucks, Kansas City Assembly Plant in Claycomo, Missouri, Kentucky Truck Plant in Louisville, Kentucky, and Dearborn Truck in Dearborn, Michigan. Throughout the past year, while Ford shut down less profitable Transit Van production at the Kansas City plant, it kept workers on the lines to produce its highly-profitable F-150 pickup trucks. Ford announced that sales of its F-Series trucks fell nearly 23 percent for the month of August, likely prompting the decision to halt production when compounded with the ongoing parts shortage.

Stellantis shut down its Ram truck plant in Sterling Heights, Michigan in the past week and will idle two other plants in the coming week due to the chip shortage. Both its Jeep plant in Belvidere, Illinois and its Chrysler

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minivan plant in Windsor, Ontario will stop production for at least two weeks.

Workers at the Belvidere assembly plant have been idled off and on due to the semiconductor chip shortage since February 2021. The plant has indefinitely cut half of its hourly workforce beginning June 1. Two weeks later, Stellantis extended a plant shutdown and announced the layoff of its second shift this year, which would leave the plant operating on one shift only. The plant was idled again beginning July 5 and then reopened August 2 with one shift only reporting for work.

Autoworkers in the US who are eligible for supplemental unemployment benefits through the companies they work for have found their benefits coming late or short on several occasions, with little to no help from the UAW in assuring that they are paid. Furthermore, workers in the US who have applied for their legally eligible state unemployment benefits during the wave of shutdowns have also found it difficult to secure needed benefits on time due to overwhelmed and under-resourced state unemployment systems.

The pandemic has only deepened the crisis of the auto corporations. While demand began to re-emerge following the lifting of initial lockdowns in countries around the world in 2020, sales have not reached pre-pandemic levels. According to data analytics company JD Power and Associates, US light vehicle sales fell nearly 18 percent in August year over year, while the average vehicle sale price reached a record high of over $41,000.

Workers are feeling the brunt of this, facing layoffs due to market conditions, which are out of their control, and left to fend for themselves. At the same time, workers at auto assembly and auto parts plants throughout the US are fighting back against unsafe working conditions in the midst of COVID, speed-up, and mandatory overtime with little to no time off. In the US, the UAW has done nothing to help workers fight back against these attacks on their living standards while the corporations continue to report billions in profits.

Instead, the UAW has consistently revealed itself to be a partner in corporate management. In the past year, it has kept auto plants running throughout the pandemic, allowing thousands of workers across the country to become exposed to the SARS-CoV-2 virus, which has led to serious illness and even death among workers in the auto plants, which it actively covers up in the interest of the corporations. It has rubber-stamped the layoff of thousands of workers at the Belvidere Assembly plant, forced through a concessions contract at Volvo Trucks in Dublin, Virginia, which rank-and-file workers voted down three times, and is attempting to do the same to rank-and-file workers at Dana auto parts facilities across the US.

The UAW, like the corporations that it serves, offers no solution except stoking nationalist hatred toward foreign workers, pitting workers in one country against workers in other countries over who can provide the cheapest labor.

The stoking of nationalism has ominous implications amid rising geopolitical tensions, particularly in light of the US drive toward economic and military confrontation with China.

The closing of plants due to chip shortages stands in contrast to the auto companies' refusal to shut down production and pay workers full wages and benefits to stop the spread of COVID-19. The majority of governments in countries around the world have opted for either "herd immunity" or mitigation strategies in response to the pandemic, but not eradication and elimination, meaning that economic interests are placed before the interests of eradicating the pandemic, thus allowing it to continue to spread and become more virulent.

That the UAW partners with the corporations in this strategy shows where the union's true allegiance lies: with the capitalist class, against the working class. Autoworkers who are willing to fight for a strategy to eradicate the pandemic and end the vicious cycle of layoffs and overwork, which all threaten to cut workers' lives short no matter what country they live in, have an alternative to fight for a socialist program and workers' control over production based on human needs, not private profit.

Workers can follow the powerful example of the Volvo Workers' Rank-and-File and Dana Workers' Rank-and-File Committees to build their own independent organizations for struggle that are capable of linking up the most powerful force in the world on a global scale, the working class. Contact the *World Socialist Web Site Autoworker Newsletter* today to learn more about how to start a rank-and-file committee at your workplace.

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