

Stellantis announces more indefinite layoffs, as rising gas prices and interest rates slow auto sales

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Stellantis workers: Tell us what you think of the layoffs and conditions at your plant. Fill out the form at the bottom of this article.

Indefinite layoffs were scheduled to begin this week at the Stellantis Sterling Stamping plant in the north Detroit suburbs. Far from opposing the cuts, the United Auto Workers (UAW) union is collaborating to shift displaced workers to other Stellantis plants scores or hundreds of miles away, including the Jeep plant in Toledo, Ohio, and the transmission complex in Kokomo, Indiana.

Neither the UAW nor management has divulged how many jobs will be cut, nor what portion of those being laid off will be full-time workers or temps. According to a letter circulated by UAW Local 1264 at Sterling Stamping, there were 90 available job slots for displaced workers at Detroit-area Mopar parts and distribution facilities, as well as 150 at Toledo Assembly, 39 skilled trades positions in Kokomo and 50 parts hauling jobs with FCA Transport. The UAW also announced that Stellantis was adding 460 temp jobs.

In a statement on the cuts, Stellantis spokeswoman Ann Marie Fortunate said, “In order to operate the plant in a more sustainable manner Stellantis confirms that there will be indefinite layoffs at the Sterling Stamping Plant in Sterling Heights, Michigan, effective June 20.” There are over 2,100 workers at Sterling Stamping, which Stellantis claims is the largest stamping plant in the world.

The layoff announcement comes as new vehicle sales have been hit by rising gas prices and higher interest rates, which make car financing more expensive. US new car sales fell to an annualized rate of 12.8 million in May, down from 14.6 million in April. Historically car sales have picked up in May.

This month, the US Federal Reserve raised its key interest rate by 0.75 percentage points, the highest single rate increase in almost 30 years. The interest rate hikes, using the pretext of fighting inflation, are in reality intended to drive up unemployment in order to dampen the militancy of

workers who are demanding wage increases to compensate for price rises.

Stellantis and the other Detroit automakers have been reaping bumper profits despite constant production interruptions due to parts shortages. At the same time, regular plant shutdowns, along with skyrocketing inflation, have wreaked havoc on workers’ incomes.

At the end of March, 98 workers had been laid off at Sterling Stamping. Warren Stamping had laid off an unspecified number of workers in April.

Stellantis had also announced indefinite layoffs at other plants earlier this year, including at the assembly plant in Belvidere, Illinois, and at Windsor Assembly in Ontario, Canada.

At Belvidere, management has announced a goal of reducing employment to just 800 workers, down from the current count of 1,800 and far below the 5,000 the plant employed in 2019. Stellantis is still threatening to cut the second shift at Windsor Assembly, although it has extended the shift through the end of 2022.

Workers posting on social media reacted angrily to the announcement of the job cuts at Sterling Stamping. The UAW’s announcement that laid off workers would have the “opportunity” to transfer to plants outside the Detroit metro area also did not sit well with many.

One worker wrote on Facebook, “They continue to hire Tpt’s [temporary part-time workers] by the 100’s. Worst thing we could have ever allowed the company to do. That needs to be a strong point in the contract negotiations, go back to a percentage of the work force.”

Another worker posted, “This is how your slave owners save themselves, by sacrificing its slaves! Wait until they post ‘We’re Hiring’ at half of what the slaves they sacrificed were making! Wake up people.....YOU MADE THEM RICH, THEN THEY THROW YOU AWAY! Think you deserve it?! They do!”

Referring to the Stellantis management statement

announcing the job cuts, another worker commented, “In a more sustainable manner?’ No, that means the investors are not earning enough money. Therefore, they order to have employees cut so their earnings will increase.

“This is what everything has come down to. It’s all about working as a skeleton crew.”

The cuts take place under conditions in which automakers are pouring enormous resources into the development of electric vehicles (EV). To generate the capital needed to dominate the EV and other new technologies, all the car companies are working to lower labor costs and squeeze as much profit as possible out of their existing workforces.

Ford announced production cuts at four large assembly plants over the summer, according to a recent memo sent to Chicago Stamping workers. The cuts will impact workers at Chicago Assembly, Kansas City Assembly, the Kentucky Truck plant and Louisville Assembly. Workers at Chicago Stamping will face layoffs as of Monday and running through September 11. The company asked for workers to volunteer for temporary layoff during the summer.

Ford is also apparently eyeing the shutdown of Louisville Assembly due to parts shortages. Press reports did not indicate for how long.

Stellantis and other automakers have turned to hiring more and more temp workers, both to cut costs and cover for labor shortages due to sickness, incapacitation or the retirement of more senior workers. The callous disregard for worker safety by both the UAW and the Detroit carmakers was highlighted by the announcement this week that masks will no longer be required at any plant, even in areas of high COVID-19 transmission such as Detroit.

On top of this, workers face dangerous conditions. In 2021 Sterling Stamping crane operator Terry Garr died in a tragic accident in the facility. One year later the UAW has yet to publish the results of the investigation into the accident.

A veteran worker at the Ford Kansas City Assembly worker told the *World Socialist Web Site* that temp workers at his plant were quitting due to the recent record heat and generally poor working conditions.

“There is no climate control on the assembly line but fans,” he said. “I can barely work under my fans. I am always outside of my cool zone grabbing doors and loading their crappy machines everyday doing 11 hours.”

Other Ford workers described similar conditions. A worker at Ford Ohio Assembly told the WSWS that in some areas of the plant the heat index reached 118 last week. “It is brutal...the humidity makes it hard to breathe in here. Several people fell out and were taken to medical. Shouldn’t have to risk your health to keep a job. Same with COVID. People see how expendable we are.”

Both Ford and the UAW have trumpeted the company’s

recent announcement that some 3,000 temporary workers would be converted to full-time positions. Workers have reported that the automakers have struggled for months to hire and retain employees and stem high turnover, given the grueling workplace conditions which have become widespread.

According to the Detroit Bureau, an auto industry news site, Ford’s move to convert the temps to full-time also allows more senior, higher-paid workers to take their place for voluntary layoff.

There can be no doubt that the automotive executives, in consultation with Wall Street analysts and top UAW officials, are already well into planning their strategy for the expiration of the Big Three-UAW contracts next year. In Europe, Ford has given a foretaste of what it is preparing. The company has pit workers in a fratricidal race to the bottom, stoking a “bidding war” between plants in Spain and Germany to see which factory can offer the most cuts, with promises of EV investments and job security dangled in return.

But opposition to any further concessions is already high and building among autoworkers. A militant mood has also emerged among heavy equipment workers at CNH Industrial—where workers are nearing their second month on strike, in a struggle which has been isolated by the UAW—and Caterpillar, where outrage erupted earlier this month over the horrific workplace death of 39-year-old Steven Dierkes.

To fight against the plans by the corporations and the UAW to carry out further attacks on jobs, wages and working conditions, new organizations are needed: Rank-and-file factory committees, democratically controlled by the workers themselves. The endless whipsawing across borders and the nationalist poison pushed by the unions must be countered with an international strategy and workers’ solidarity and coordination on a global scale, which is the perspective being fought for by the International Workers Alliance of Rank-and-File Committees (IWA-RFC).



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