

Job cuts and speedup planned after UAW pushes through sellout contracts

Jerry White
21 November 2023

With the United Auto Workers sellout contracts in hand, the Big Three automakers are accelerating plans to slash jobs, intensify the pace and length of work, and restructure their operations.

After keeping a strategic silence as the UAW confronted substantial rank-and-file opposition, President Biden and auto executives rushed to hail the UAW after it announced the passage of the pro-company deals on Monday.

In a White House statement, President Biden repeated UAW President Shawn Fain's lies, claiming, "These historic contracts reward the autoworkers who have sacrificed so much with record raises, more paid leave, greater retirement security, and more rights and respect at work. I want to applaud the UAW and each of our Big Three auto companies for their good faith negotiations to reach this record contract."

The US president did not address why these "historic" contracts were rejected by more than 35,000 UAW members and opposed by tens of thousands more who would have voted "no" if they saw any prospects of fighting for more. At General Motors, the contract was rejected at seven of the company's 11 assembly plants and by 47 percent of production workers overall, according to the UAW's official results.

In a video posted Monday afternoon, Gerald Johnson, GM's executive vice president of global manufacturing, thanked the UAW bargaining committee and said getting the contract accepted was "not easy work." Johnson stated that he would tour GM plants to hear "how we can all come together as one team.

"Our products continue to be in high demand, so we will work aggressive schedules for the good of our customers," Johnson said, making it clear workers would face exhausting and back-breaking schedules. "We are at an inflection point in our EV transition, and we have an opportunity to continue leading the industry forward."

GM CEO Mary Barra and Chief Financial Officer Paul Jacobson will hold a conference call with Wall Street investors on November 29. Barra previously said that the company expected to pay higher wages because of the labor shortage caused by the pandemic and record inflation, but that it would make up for this by pressing ahead with its multibillion-dollar cost-cutting campaign.

The UAW's new four-and-a-half-year deals will not make up for the huge losses workers have suffered from inflation and the concessions the UAW handed over during 2009 industry restructuring overseen by the Obama-Biden administration. Instead, the agreements will pave the way for massive job cuts as the industry shifts to electric vehicle production, which the Biden administration considers critical for its economic and military confrontation with China.

The contracts are expected to cost each of the automakers an additional \$1 billion every year, a small percentage of their \$100 billion-plus annual revenues. Even so, the corporations are planning to more than offset the increased outlays through aggressive restructuring.

In July, GM said it planned to cut operating costs by an additional \$1 billion on top of the \$2 billion in fixed cost reductions by 2024 the company previously announced. In April, GM had stated that roughly 5,000 salaried workers had taken buyouts and agreed to leave the company, which would reduce fixed costs by \$1 billion annually. The new UAW contract includes a "voluntary employment termination" plan, jointly operated by the union and the company, to reduce hourly workers with \$50,000 buyout offers.

Ford CEO: It is "imperative that we continue to attack cost and waste throughout our operations"

Ford's management also hailed the contract. "We are pleased the agreement has been ratified," Ford CEO Jim Farley said in a statement. "Now, we are getting back to work as one Ford team." The company, he boasted, "was on track to "reach full production schedules in the coming days at our assembly plants in Michigan, Kentucky and Illinois that were affected during the strike."

In the coming weeks, Farley also plans to tour the factories, where he will personally oversee the cost-cutting plans the UAW bureaucracy agreed to. It is "imperative," he said, "that we continue to attack cost and waste throughout our operations. The reality is that this labor agreement added significant cost,

and we are going to have to work very hard on productivity and efficiency to become more competitive.”

On Monday, Ford announced it was scaling back plans for a new electric vehicle battery facility in Marshall, Michigan, reducing the number of planned jobs from 2,500 to 1,700. Ford has been given \$330 million in direct subsidies from the state of Michigan to build the plant, which is expected to open in 2026, plus a 15-year tax abatement worth \$775 million.

Mark Truby, Ford’s chief communications officer, said that Ford was trying to “right-size” the company’s “footprint” at the facility due to less-than-expected demand for car batteries and the costs associated with the new UAW labor agreement. “Obviously it helps to have some certainty around, we’re no longer in the strike situation and we understand what our labor costs are going to be by and large. We wouldn’t be moving ahead with it if we weren’t able to move ahead with it.”

UAW President Shawn Fain had boasted that the new agreement would guarantee a “just transition to EVs,” instead of a “race to the bottom.” Workers at the Blue Oval Battery Park would be brought under the UAW national agreement, he said, and workers laid off from internal combustion engine plants would have an “opportunity” to transfer to planned battery plants in Michigan, Kentucky and Tennessee and maintain their current wages and seniority.

Buried in the UAW-Ford contract, however, were major loopholes allowing the Ford EV operation to retain “all flexibilities to manage business growth, and fluctuations in technology, changing consumer preferences, and rapidly evolving battery technology.” The UAW has given the company a free hand to use outside contractors, implement “footprint restrictions” and “lean manufacturing” methods, “notwithstanding anything to the contrary in the Master Agreement.” New hires will make less than \$25 an hour.

In addition, the UAW has permitted Ford’s plans for a “flexible” workforce that can be forced to move hundreds of miles and uproot their families depending on the demand for EVs.

**“Fain only called the strike to get the contract passed”:
Toledo Stellantis worker**

At Stellantis, 6,400 salaried workers—or half of the company’s white collar workforce in the US—were sent buyout offers last week to cut costs. In April, 31,000 US hourly workers were sent similar buyouts, and the new UAW contract outlines plans for further rounds of \$50,000 buyout offers to veteran production and skilled trades workers in 2024 and 2026.

“With negotiations now officially behind us, we will focus our full attention on executing our Dare Forward 2030 strategic

plan,” said Mark Stewart, Stellantis’ chief operating officer, referring to the cost-cutting plan to finance the EV transition, maintain double-digit profit margins and guarantee increased dividend payments and stock repurchase plans for wealthy shareholders.

Workers at the Stellantis Toledo Assembly Complex voted down the contract by 60 percent. “We were on strike from the beginning,” David, a worker at the plant, told the *World Socialist Web Site*. “I think the UAW and the companies had an agreement from day one. Fain only called the strike to get the contract passed. The ‘stand up’ strike was BS and put us in an economic hole we’re trying to get out of now.”

Referring to the large “no” vote at the Toledo plant, he said, “Workers didn’t like the ‘in-progression’ tier being kept in the contract or the raises that don’t keep up with inflation. We have more supplemental employees [temporary workers] than any other plant. The union promised to roll them over. None of the SEs were for the tentative agreement once they saw all the ‘ifs, maybes, and if we need to.’ They saw there were no guarantees.

“We’ve got two shifts, and we’re working 10 hours a day and 50 hours a week. They’re planning to go to three shifts, eight hours a day. We’re going to lose overtime pay we need to make ends meet. They say they need 900 workers or more for a third shift and are going to roll over SEs and hire new workers to fill it. We’ll see what happens. But if they roll some over or hire new workers, they’re going to be in the same boat as us, and we’ll need to fight together.”

The accelerating attack on jobs and conditions underscores the need for rank-and-file workers to organize against the company-UAW-government conspiracy. From the beginning, the Autoworkers Rank-and-File Committee Network has been the only organized force in the factories opposing the lies of the Fain administration, calling for an all-out strike and fighting for the defeat of the sellout contract. It is critical to build and expand these committees in every plant.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact