

US corporations launch holiday jobs bloodbath

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15 December 2023

As Americans prepare for the holiday season, US corporations are celebrating with a surge of layoffs that is part of a continuing offensive by the capitalist ruling class against the working class.

Thousands of jobs are being axed in the auto industry alone, including 3,600 layoffs at Stellantis. Hundreds of workers are being laid off at Ford as the company slashes production of electric pickup trucks. General Motors recently announced over 1,300 job cuts at its Lake Orion and Lansing Grand River plants, and 900 more cuts at GM Cruise, a subsidiary focused on autonomous “robotaxis.” It is likely that cuts at the Big Three will cascade throughout the auto supplier plants.

These mass layoffs come only weeks after the UAW rammed through new contracts at all three companies, which the union bureaucracy claimed were “historic” and “game-changing.” These claims have now been exposed as a sham. The bureaucracy knew these cuts were coming and told workers nothing about them in order to ensure the passage of pro-company sellout deals.

Thousands more jobs are being slashed in the retail sector, as working class families are forced to restrict spending due to high prices and stagnant wages. On the railroads, years of layoffs continue unabated a year after Congress banned a national rail strike. Union Pacific has announced 1,300 “furloughs,” which will likely be permanent, reducing its maintenance of way workforce by nearly half from only a few years ago.

This is part of a global phenomenon. Layoffs are also underway in Germany, particularly in the auto sector, where German tire maker Continental is planning thousands of cuts. Parts supplier Bosch recently announced it would eliminate 1,500 jobs in southern Germany.

The latest round of cuts caps a year that has seen a jobs bloodbath. Through November, US corporations cut nearly 700,000 jobs, more than double the figure last year and the highest since the first year of the COVID pandemic. A major center has been the tech industry, which eliminated nearly 260,000 jobs, compared to 165,000 in 2022, according to layoffs.fyi.

The result has been a rapid decline in living standards. New census data reported on by CBS News shows that child poverty has *doubled* from 2021 to 2022, while overall poverty has increased to the highest level in a half-century. Meanwhile, median household income declined this year by 2.3 percent, to \$74,580.

This is not the result of panoramic “market forces.” It is the result of deliberate policies aimed at using unemployment to beat back modest wage growth, which had risen last year to a little over

4 percent. Although wage increases were far below the decades-high 9 percent inflation mark hit last summer, the capitalist class considered even slight raises intolerable, while commentators warned of “unrealistic” expectations on the part of workers that their wages should keep pace with inflation. Eroding living standards have been a major driver in the rise of strikes and social discontent in the working class.

The spearhead of the ruling class policy was the decision to continuously raise interest rates, beginning early last year, from near-zero to 5.33 percent today, the highest in nearly a quarter-century. This was consciously modeled on the “Volcker Shock” of the 1980s—which wiped out millions of jobs, especially in manufacturing—in response to the labor militancy of the 1970s, which saw the biggest wave of strikes since the end of World War II.

The Fed’s only concern was that this policy have a “soft landing” for financial markets—which have become totally dependent on free money since the 2008-2009 recession—not for workers. The attacks on jobs have been so successful that the Fed recently forecast three rate cuts over the next year, triggering a surge in stock markets as speculators salivated over the prospect of lower borrowing costs.

But job losses are only beginning. A vast restructuring of the workforce is underway, utilizing advances in automation, robotics and other technologies like artificial intelligence to replace large sections of the workforce. The transition to electric vehicles by the auto industry will likely mean tens of thousands of jobs lost in the coming years, as EVs require 40 percent less labor than traditional gas-powered vehicles. Tens of thousands of warehouse workers at UPS, Amazon, the Post Office and elsewhere will be replaced as facilities are almost totally automated.

The assault on jobs and working conditions is triggering massive opposition in the working class, as the *World Socialist Web Site* predicted at the start of the year. The past 12 months began with a push by 120,000 railroaders for a national strike, saw a continuous series of struggles by healthcare workers and educators, major strikes by actors and writers in the film and TV industry, and contract struggles by 340,000 UPS workers and 150,000 autoworkers.

The class struggle as measured by strike activity is growing rapidly. In October alone, 4.5 million workdays were lost due to strike action, according to government figures. This is more than *three times* the figure for the whole of 2022, which itself recorded

one of the highest rates in decades.

The emergence of the working class as an active and powerful social force is a refutation of the claims by demoralized middle-class radicals that the working class, particularly in the United States, is either so hopelessly backward that it is incapable of resistance, or that it no longer even exists.

What are the conclusions that workers must draw from the experiences of the past year?

First, they face the critical issue of developing their own independent organizations and initiative free from the control of the union apparatus. It is an objective fact that strike activity would have been many times higher in 2023 if it were not for the role of the union bureaucracy in isolating, limiting and sabotaging strikes in order to force through substandard contracts.

The union apparatus and the government are responding to the growth of the class struggle by drawing together ever more closely and openly in a corporatist alliance. The Biden administration has been intimately involved in virtually all major contract talks since taking office, especially in those areas critical to supply chains for the US military, such as the docks, the railroads, oil refineries and the auto industry (where control of electric vehicle technology and raw materials is a central part of the US conflict with China).

Organized opposition to these attacks grew substantially over the course of 2023 through the formation of rank-and-file committees. In the auto industry, in UPS and the Post Office, and in other strategic sections of the working class, workers have formed these committees to fight against the betrayals of the union apparatus and provide alternative structures to transfer control to the rank and file.

These committees are being built up all over the world through the International Workers Alliance of Rank-and-File Committees, which has provided a forum for collaboration and joint action by workers in different countries. The campaign of Will Lehman, a worker at Mack Trucks and socialist candidate for UAW president, emerged as a powerful pole of attraction among autoworkers and the working class generally.

In response to the growing threat of a rebellion, the bureaucracy has put forward various “reform” figures, such as Teamsters President Sean O’Brien and UAW President Shawn Fain. The Democratic Socialists of America and other pseudo-left organizations have played a key role in whitewashing the actual record of these career officials and presenting them as proof of the supposed self-reform of the corporatist and pro-capitalist union apparatus.

However, the actions of the union bureaucracies are not determined by the dishonest phrases which they occasionally use to try and lull workers into a false sense of security, but rather by the needs of the capitalist system and their allies in the Democratic Party, both of which they ruthlessly defend.

Second, workers’ struggles must be guided by a political perspective. To a far higher degree than most workers are even aware, they are engaged in struggles with profound political implications. Society is at an impasse. The growth of working class militancy is taking place in the context of an expanding global war, the growing danger of fascism in the US and countries around the world, and the ongoing refusal by the ruling elites to

take any action to stop the spread of COVID-19 or accelerating climate change.

This is all a response, in one form or another, to the challenge from below from the working class to a ruling class that is rotting on its feet, incapable of a progressive solution to any social problem.

In the final months of the year, mass opposition has erupted to the ongoing genocide in Gaza. This has unveiled a vast chasm between workers and youth on the one hand and, on the other, the capitalist political establishment, which is not only aiding, but is centrally involved in these crimes. US imperialism sees Gaza as part of a wider global conflict—which includes the proxy war in Ukraine and a future war against China—for the domination of Europe and Asia and the elimination of its main strategic rivals.

Here too, the union bureaucracy plays a critical role, either openly backing the war and US imperialism, or offering fake “opposition” in order to capture and demobilize the growing anti-war movement.

The working class is confronted with the need for a political struggle, not in the sense of electing individuals to Congress, but a fight for the working class to take power. The demand for a political general strike to deny weapons to Israel and force an end to the war is receiving broad support. A video statement calling for such action by Will Lehman has been viewed over 1 million times.

The development of the class struggle must be guided by an international strategy, based on the unity of the interests of workers across the world and a rejection of national, racial or religious divisions used to divide and weaken the working class. The IWA-RFC is a powerful instrument for forging the international unity of workers engaged in struggles around the world. The building of the IWA-RFC must be expanded in the new year.

The highest expression of the international unity of the working class is a revolutionary and internationalist socialist program aimed at bringing the working class to power. Only on this basis can workers end poverty, war and all the other social ills that are generated by the profit system. The construction of a leadership equal to that task is what the International Committee of the Fourth International and the Socialist Equality Parties in countries around the world fight for.

The defense of jobs requires a rejection of the “right” of the capitalist class to profits. It requires the expropriation of the banks and major corporations and their operation as publicly-owned utilities, democratically controlled by the working class. Only this will make possible the rational and progressive use of the efficiencies made possible by technology so as to benefit humanity by reducing the length of the working day and increasing wages, while guaranteeing employment for all.



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