

Ford announces 1,400 layoffs at Dearborn plant, as job cuts accelerate across the US

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The Autoworkers Rank-and-File Committee Network and the WSWs are hosting an emergency online meeting Saturday, January 20, at 1:00 p.m. Eastern Standard Time to discuss how to organize a fight against the mass job cuts in the auto industry. Register here.

Ford announced Friday it would eliminate a shift at the Detroit-area factory building electric pickup trucks, cutting 1,400 jobs. The move is the latest in a jobs massacre continuing into the new year by corporations across the US and around the world.

The jobs affected are at the Rouge Electric Vehicle Plant (REVC), part of the larger Dearborn Truck complex. Previously, the company announced it was cutting production of its electric F-150s in half, without giving details.

The job cuts announced Friday are even worse than anticipated, affecting roughly two-thirds of the 2,200 workers at REVC. Some 700 workers will be reassigned to the Michigan Assembly Plant and other factories, according to the company, implying that another 700 will be either laid off permanently or forced into early retirement.

The cuts are just the beginning of massive layoffs across the industry, where the transition from gas-powered to electric vehicles (EVs) is being used by the automakers to cut hundreds of thousands of jobs. The cuts bring the total number of announced layoffs at the Detroit Three alone over the past month to nearly 8,000 workers. This includes, in addition to the cuts at REVC:

- 539 supplemental employees at Stellantis who were summarily fired last week at plants in Detroit and Kokomo, Indiana;
- 3,680 layoffs previously announced at Stellantis' Mack Avenue and Toledo Jeep plants;
- 1,300 cuts at General Motors' Lake Orion and Lansing Grand River plants;
- 900 employees at GM Cruise, a subsidiary focusing on automated taxis, equal to 25 percent of the workforce.

Layoffs are also taking place globally, including 2,250 layoffs at Stellantis plants in northern Italy and layoffs across Europe by parts suppliers Continental and Bosch. Ford's Saarlouis plant is in the process of closing, following a bidding war over cuts and concessions between the auto unions in Germany and

Spain.

These layoffs are a devastating exposure of the new auto contracts rammed through last fall by means of lies and fraud by the United Auto Workers bureaucracy after a limited strike deliberately structured by the UAW to limit the impact on production. The union claimed the deals were a turning point marking an end to decades of concessions. It has taken only a few months for the auto companies to launch the deepest cuts since the late 1970s, with the blessings of the UAW apparatus.

In a letter to REVC workers, UAW Plant Chairman Nick Kottalis made clear the union would do nothing to fight the layoffs. He claimed, without evidence, that nobody would lose work "by my calculations" and added that "more opportunities will be forthcoming when we receive retirement numbers" from other plants. In other words, the chance for current workers to keep their jobs depends on Ford's success in forcing higher seniority workers into early retirement.

Anger over the layoffs is building rapidly, and momentum is growing for an emergency meeting against the layoffs on Saturday, January 20, at 1:00 p.m. Eastern Standard Time, sponsored by the International Workers Alliance of Rank-and-File Committees (IWA-RFC). Will Lehman, the socialist autoworker who ran for union president last year on a platform of abolishing the UAW bureaucracy and putting the rank and file in control, will speak at the meeting, as well as delegates from other industries where major cuts are underway.

Jobs massacre accelerating across the US

The layoffs in auto are part of a broader policy of the ruling class. Last year, US companies cut more than 700,000 jobs, according to Challenger Gray and Christmas, nearly double the previous year's mark. The spearhead for this was a rise in interest rates by the Federal Reserve, for the explicit purpose of exerting downward pressure on wages through layoffs.

The Fed falsely claimed this was necessary to curb inflation and avoid a "wage-price spiral." In reality, high inflation rates have historically been primarily due to price gouging by

corporations. A recent report by Groundwork Collective found that corporate profits accounted for 53 percent of inflation in the middle of last year, compared to 11 percent in the four decades before the COVID-19 pandemic.

“Prices for consumers rose by 3.4 percent over the past year, but input costs for producers increased by just 1 percent, according to the authors’ calculations,” the *Guardian* reported.

The same day that Ford announced layoffs, the S&P 500 stock market index reached the highest level in its history. The surge in stock prices was driven by optimism that the Fed would cut rates over the next year—in other words, that the job cuts underway are so severe that the Fed can afford to return to its usual free money policies. The stock surge was powered in particular by a continuing rise in tech stocks, as investors salivate over the use of AI and other emerging technologies to cut costs and drive up profits.

Other major cuts have been announced in recent days by other US employers.

Macy’s will cut 2,300 jobs, or 3.5 percent of its total workforce, according to a report Thursday in the *Wall Street Journal*. The department store chain, which once occupied a central position in the US retail sector, has closed hundreds of stores in several rounds of cuts in recent years. According to a report last month, also in the *Journal*, the company is the target of a potential buyout by real estate investment firm Arkhouse Management. The \$5.8 billion potential deal would be a boondoggle for investors, who would receive a 32 percent premium above the company’s share value, while undoubtedly leading to even deeper cuts.

Walmart also announced that it was closing two locations in the San Diego area, affecting around 460 jobs. The company closed 24 stores in 2023.

Walmart claims the closures are due to poor performance. But companies across California, especially low-wage retailers, have announced thousands of layoffs in recent weeks in retaliation against a new minimum wage law recently passed by the state legislature. This includes 200 layoffs by healthcare provider Kaiser Permanente in the midst of the second-biggest wave of COVID-19 ever. California Governor Gavin Newsom has announced a delay in the new law’s implementation, underscoring the total control of the corporate oligarchy over American political and economic life.

On Thursday, Walmart also announced it was increasing annual salaries for store managers from \$117,000 to \$128,000, with performance bonuses as high as 200 percent of base salary.

Other significant layoffs announced in the past week include:

- CVS will close certain locations inside Target department stores. Last year, the pharmacy chain closed hundreds of stores.

- Online furniture and home décor retailer Wayfair announced 1,650 job cuts, 13 percent of its workforce. These follow a year-end memo by CEO Niraj Shah demanding employees work more hours. “Working long hours, being

responsive, blending work and life is not anything to shy away from,” read the email, reported in *USA Today*. It continued: “There is not a lot of history of laziness being rewarded with success. Hard work is an essential ingredient in any recipe for success. I embrace this, and the most successful people I know do as well.”

- Tech services company CDW is apparently cutting hundreds of jobs. No official announcement has been made, but the moves have been reported in posts by workers on TheLayoff.com.

- *Sports Illustrated* magazine has announced plans to lay off its entire staff within 90 days, following the severing of a licensing deal between the magazine’s corporate owner and its publisher Arena Group. The future of the magazine, first published in 1954, is now in doubt. The magazine had already moved towards using AI to replace some of its writers, with a scandal unfolding last year following revelations that it had published AI-generated articles without prior disclosure.

- Music criticism magazine *Pitchfork* is being rolled into *GQ* magazine by its corporate owner Condé Nast, ending its existence as a separate publication.

The working class must build a mass movement in defense of jobs, independent of the trade union bureaucracies, which are helping impose these cuts, and uniting workers across all industries. As the International Workers Alliance of Rank-and-File Committees (IWA-RFC) said in its recent statement on the job cuts at Stellantis:

The working class must respond to this global jobs bloodbath with a global counteroffensive in defense of workers’ livelihoods. The International Workers Alliance of Rank-and-File Committees calls for an international movement to be built uniting workers throughout the entire industry, and drawing in workers in logistics and other sectors, to force a halt and reversal to the job cuts.



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