

Ford reports \$10.4 billion in 2023 profits, outlines plan to cut jobs

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Ford Motor Co. made \$10.41 billion in profits in 2023, according to figures released by the Dearborn, Michigan-based auto giant Tuesday. This included \$1.1 billion in the fourth quarter last year, underscoring the virtually negligible impact of the “stand up” strike overseen by the United Auto Workers union bureaucracy.

The company made \$7.5 billion and a 7.3 percent profit margin from its Ford Blue division, which is centered on the company’s traditional internal combustion engine vehicles. It made another \$7.2 billion and a staggering 12.4 percent profit margin at its Ford Pro division, which manufactures commercial vans and heavy-duty work trucks.

Like many other automakers, the company has failed to turn a profit from electric vehicles despite massive federal government subsidies. Ford reported losing \$4.7 billion in its Ford Model e division in 2023. CEO Jim Farley predicted that it would still take several years to turn a profit from EVs, but this depended on drastically reducing the costs and prices to compete with Tesla and Chinese EV manufacturers.

In a conference call with analysts from Morgan Stanley, Bank of America, Deutsche Bank and Barclay’s on Tuesday, Farley boasted, “Despite the UAW strike, our auto profits were up year-over-year.” He said Ford would be “returning capital to our shareholders through a regular and special dividend.” Chief Financial Officer John Lawler told investors that whenever the regular dividend “doesn’t reach 40-50 percent, we will provide a supplemental dividend.”

Reuters summed up the company’s earnings report in an article titled “Ford slows EVs, sends a truckload of cash to investors.”

While the wealthiest shareholders swallowed up roughly half of Ford’s \$6.8 billion in free cash flow last year, 58,000 UAW members are being forced to “share” the equivalent of less than 9 percent. Under the UAW’s “profit-sharing” scheme each Ford worker will be issued a check averaging \$10,400, a sum which will be significantly reduced by taxes and union dues.

Top UAW officials condescendingly “congratulated” workers on producing the profit bonanza for Ford. UAW

Vice President for Ford Chuck Browning wrote in a letter to workers, “UAW Ford members play a key role in the success of the company through expertise, extraordinary efforts, and commitment to the jobs they perform each and every day.”

“UAW President Shawn Fain and I extend well deserved congratulations and share deep appreciation for our hard-working UAW members at Ford,” the letter concluded.

On Tuesday’s earnings call, Ford executives said the UAW strike had only led to the loss of 90,000 vehicles, a minuscule figure compared to the nearly 2 million vehicles the company sold last year. Ford Chief Financial Officer Lawler said the strike cost the company \$1.7 billion last year, a drop in the bucket compared to the \$176 billion in revenue the company accrued in 2023, which was up 11 percent from the year before.

UAW President Fain only called out 16,600 Ford workers—or little more than a quarter of the membership at the company—at various times during his six-week “stand up” strike. The impotent action only affected three of the company’s nine assembly plants. More than half the strikers—8,700 at the Kentucky Truck Plant in Louisville—were only out for two weeks before the UAW announced a deal and sent strikers back to work before they even saw the proposed contract.

Ford CFO Lawler said any marginal increases in costs next year due to the UAW’s supposed “record” contracts would be more than offset through “efficiencies” in manufacturing, labor and material costs. He said the company expected to make \$10-12 billion in profits in 2024, despite continued losses from EVs.

Farley said the company had rushed into EV production to catch up to Tesla after the COVID-19 pandemic first hit. But after the “COVID shock retreated,” he said, customers were not willing to pay a significant premium for EVs. Company executives involved in EV development and production would be “ruthlessly focused on costs,” Farley said, “to compete with Tesla and Chinese manufacturers.”

Ford has delayed the construction of a second EV battery

plant in Kentucky, shrunk the capacity of its planned battery plant in Marshall, Michigan, and cancelled a battery plant in Turkey. At the same time, the company was “rethinking our vertical integration” plans, Farley said, in a clear threat to spin off operations, shut plants and lay off tens of thousands of workers.

While “aligning production” with fluctuating demand, he said, there would be no turning back from the transition to EVs in the global auto industry. “This is a seismic change,” Farley said, and the way corporations responded to cost pressures would “sort out the winners and losers in our industry.”

The agreements signed by the UAW bureaucracy have given Ford and other automakers a free hand to wipe out tens, if not hundreds, of thousands of jobs through the transition to less labor-intensive EVs. The deals were crafted in collaboration with the Biden administration, which is massively subsidizing the transition to EVs as part of its escalating economic and military confrontation with China.

The Biden administration and the auto bosses are relying on the UAW to suppress opposition to job cuts and ensure that the companies have a low-cost and “flexible” workforce, which can be moved from plant to plant depending on the demand for gas-powered, hybrid or fully electric vehicles.

Within weeks of the ratification of the contracts, all three automakers initiated a wave of permanent job cuts and temporary layoffs. Ford cut production of its F-150 Lightning electric pickup truck in half and reduced operations at the Rouge Electric Vehicle Center (REV-C) plant in Dearborn, Michigan, from three shifts to one. By April 1, 1,500 REV-C workers will have to transfer to other plants, or take early retirement or “voluntary separation” packages.

Ford has adopted a practice of forcing REV-C workers to line up at the manager’s desk at the beginning of each shift to see who is going to work that day, a variation of the brutal “shape up” system that was long used on the docks. “Extras” are kept on the shop floor to take the job of anyone who agrees to go home, workers in the plant have reported to the *World Socialist Web Site*.

“Everybody’s job is on the line”

Commenting on the company’s profit reports, a member of the Ford Rouge Rank-and-File Committee told the WSWS, “I warned workers that the company was saving money during this bogus strike. We did not hurt them at all.

They saved money then, and they’re saving even more now by cutting all these jobs. I asked management if they were going to bring back the C shift and they said ‘never’ and that I was lucky to be working 40 hours, like the layoffs are going to continue. Everybody’s job is on the line.”

While Ford is cutting thousands of jobs, the remaining workers are facing backbreaking speed up. “I almost burned out yesterday. The line was going so fast that the video displays were flashing ‘Danger,’ and the union reps didn’t do anything about it.”

He went on to denounce the UAW bureaucracy’s endorsement of President Biden, who is backing the genocide in Gaza and rapidly expanding America’s wars of global conquest. “They are paying for these wars out of our pockets and making billions from war. The whole workforce should go on an all-out strike, in every industry worldwide. We have to stop these wars and take control to save our jobs.”

A Kentucky Truck Plant worker told the WSWS it was the workers who were responsible for the company’s profits. “Over the last decade, they’ve scaled way down on the number of models so they could make even more profits from us.” The UAW officials, he said, “only care about themselves and have gone back to asking employees if they want to work double shifts. They call long hours on each shift, so to volunteer for a double is 24 hours at Ford.” This had been common years ago, but “they stopped because people were wrecking and dying.”

Workers treat the “union and management the exact same way,” he said. “We’ve learned to be bitter to the blue oval [Ford’s corporate logo] and get in then out each day. There’s no work-life balance that we thought we were getting in the contract.

“The strike hurt us and did not help us. We were used and now Ford wants those numbers made up. They switched us from double-time mandatory Sundays here and there to time-and-a-half on Saturdays every other week or monthly. The UAW officials said it’s a ‘loophole’ for our area and to go along with it.”

Are you an autoworker? Fill out the form below if you’d like to discuss building rank-and-file committees in your plant.



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