

Mass layoffs hit auto industry as job cuts mount, profits surge

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Ford announced dramatic layoffs at its electric light truck plant in Dearborn, Michigan, the latest in a week that saw job cuts hit broad sectors of the economy.

Out of a total workforce of 2,100 at its Rouge Electric Vehicle Center (REV-C) in Dearborn, Ford said that 1,400 will be either transferred to other plants or asked to take early retirement. Ford said it is slashing production of the F-150 electric pickup built at REV-C from a projected 180,000 units this year to just 55,000. For 700 workers being told to transfer to the Michigan Assembly Plant in Wayne, no start date has been set. Meanwhile, the workers have been laid off.

General Motors has issued layoff notices to 1,000 workers at Orion Assembly north of Detroit and announced 400 more layoffs at the Lansing Grand River factory also in Michigan. Last week, Stellantis fired 400 white-collar workers during a mandatory remote workday.

Heavy machinery and agricultural implement maker John Deere is cutting 300 workers at its operations in Waterloo, Iowa, effective April 26. Earlier this month, Deere said it was laying off another 150 workers at its Des Moines Works in Ankeny, Iowa, in April and May.

The stepped-up attack on jobs takes place as newly released government data shows corporate profits in the US reached an all-time high in 2023. The US Department of Commerce reported that profits rose \$133.5 billion in the fourth quarter of 2023 for an annualized rate of \$3.4 trillion, the highest ever.

The surge in earnings came despite supposedly “historic” contracts by the United Auto Workers and Teamsters unions. The reality is that while pay continues to lag behind inflation, corporations, with the assistance of the bureaucratized trade unions, are downsizing and rationalizing, squeezing ever more profit and production out of a smaller workforce. The profit figures also reflect profit-gouging by the corporations, with, by one calculation, an estimated 53 percent of inflation from April to September 2023 accounted for by higher profits.

The earnings figures are also a direct product of the

policies of the Biden administration, which has driven up interest rates in order to increase unemployment and undermine resistance by workers. At the same time, the White House has teamed up with the trade union apparatus to suppress strikes and hold down wage gains to below the level of inflation.

In response to the profit report, the Biden administration issued a statement absurdly asking “companies to pass their savings on to consumers.” In reality, the entire policy of the White House is to safeguard the profits of the ruling class.

In response to the continuing wave of job cuts, Socialist Equality Party vice presidential candidate Jerry White said:

The announcement by Ford that it is slashing jobs at REV-C is a brutal and outrageous attack on workers’ livelihoods. It is another exposure of the lies of UAW President Shawn Fain and President Biden that the 2023 auto contract was a ‘historic’ advance for autoworkers. It follows the slashing of 2,000 supplemental workers by Stellantis and cuts by General Motors at Lake Orion and Lansing Grand River.

These cuts and mounting layoffs across the economy are part of a deliberate policy of the Biden administration aimed at pushing the cost of corporate bailouts and record military spending onto the shoulders of the working class. Increased profits for Wall Street translates into increased hardship, early deaths and suicides for working class families.

The Socialist Equality Party encourages autoworkers and all workers impacted by these cuts to take the conduct of the struggle to defend jobs and living standards into their own hands by forming rank-and-file committees, independent of the trade union apparatus.

The fight against layoffs is a global fight. Workers must reject the nationalist and militarist rhetoric of the unions and the Biden administration and join

forces with their brother and sister workers around the world in a common fight against the transnational corporations profiting off your labor. This struggle must be coordinated across national borders by expanding the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

The auto and logistics industries must be transformed into public utilities under the democratic control of the working class. Only in this way can secure and good-paying jobs be provided for all.

Job cuts are spreading to wider sections of the economy beyond auto.

This month, Tyson Foods announced the closure of its plant in Perry, Iowa, with the loss of 1,300 jobs. The closure will devastate the community, where it is the largest employer. Packer Sanitation Services, a contractor at the plant, will lay off another 76 workers.

These cuts follow an investors conference at United Parcel Service where executives laid out plans for massive nationwide cuts. The logistics giant is closing some 200 distribution hubs around the US by 2028 as part of a plan to slash \$3 billion in costs by 2028 at the expense of workers. UPS said that all its facilities were under review to examine ways that automation could be used to get rid of workers.

In announcing the planned cuts, UPS CEO Carol Tomé boasted that the Teamsters contract negotiated last summer made the plan feasible. “We are very pleased with that contract,” Tomé said.

Package delivery company FedEx is also preparing to carry out cuts as part of a \$4 billion cost-cutting plan driven by the demands of Wall Street investors. In a separate move, the company said it is cutting 300 workers at a distribution center in Union City, Georgia.

In yet another round of job cuts at Amazon, the company is cutting 160 workers in its advertising division.

Layoffs are also sweeping education as pandemic assistance funds run out, leaving school districts struggling for cash as states impose austerity budgets. Districts which are planning cuts include Boston and San Diego. Hundreds of teachers and staff employed by the San Diego schools have already received layoff notices.

Meanwhile, school bus drivers working for Missouri Central School Bus could face 332 job cuts. Student Transportation of America in Kansas City plans to lay off 149 employees by June 30.

While weekly new unemployment claims remained relatively low at 210,000, the current round of cuts will likely not be reflected in official figures until May. February saw the official unemployment rate rise 0.2 percent to 3.9

percent, and the total number of unemployed increased by 334,000 to 6.5 million.

Highlighting the role of the union apparatus as a pro-management police force, the number of strikes, which have been rising for years as workers seek to oppose record levels of social distress, has been extremely low so far this year.

So far in 2024 there has been only one large strike, the one-day walkout by California State University faculty, according to the US Bureau of Labor Statistics. The number of large strikes, defined as actions involving 1,000 or more workers, stood at 33 in 2023.

While last year’s figures reflect a significant growth in strikes from near-zero during the Obama administration, it is a pale reflection of the true level of social opposition, given that millions of workers have voted to authorize strike action only to have sellout contracts shoved down their throats.

Strike activity remains at historically low levels due to the betrayals of the union bureaucracy. By comparison, there were 474 large strikes in 1974. Since 1981 and the defeat of the air traffic controllers due to the treachery of the AFL-CIO bureaucracy, the annual number of work stoppages has never gone over 100.

Further highlighting the parasitic role of the unions, the latest financial filing by the United Auto Workers reveals that the UAW lost 13,000 members in 2023, falling to just 370,239. That is the lowest total since the 2009 bankruptcy of General Motors and Chrysler. Despite this, the net assets of the UAW rose in 2023 to \$1.13 billion.

In justifying his decision not to strike the entire Big Three operations but only target a handful of select plants, UAW President Fain had pointed to the danger of a wider walkout bankrupting the union. The supposedly epic 2023 “stand-up strike,” a partial strike which in fact did not seriously impact production, also did not even dent the gargantuan strike fund. The bureaucracy uses the strike fund as a gigantic piggy bank to fund its lavish lifestyle and six-figure salaries.

Workers are confronted with the need for a new strategy to guide their struggles. No matter how militant, they are hamstrung as long as the initiative remains in the hands of the bureaucracy and the two corporate parties. The way forward is through a rebellion against the apparatus and the entire system of corporate labor control, through the formation of rank-and-file committees.



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