

Stellantis imposes “temporary” layoffs on over 4,000 in Michigan and Ohio in cost-cutting move

Shannon Jones
5 July 2024

Autoworkers: Join the fight against layoffs and for a new UAW election to kick out the sellout bureaucrats! Join the Autoworkers Rank-and-File Committee Network by filling out the form below.

Citing a drop in sales and the need to adjust inventories, Stellantis is slashing production at the Warren Truck Assembly plant near Detroit and at the Toledo Assembly Complex.

Warren Truck is losing its second shift, about 1,600 workers, while the Toledo Jeep plant is halting production of the Gladiator, impacting around half of the 5,000 workers at the complex. Management says the layoffs at Warren Truck will last at least through the month of July, while the Gladiator workers will be off for a minimum of two weeks. Many laid off Jeep workers may later be reassigned to build the Wrangler.

The new round of layoffs follows the statements by Stellantis CEO Carlos Tavares that the company is seeking a 30 percent reduction in costs as the company transitions to the production of electric vehicles. Much of those savings will come through the elimination of jobs and sweating more production out of a smaller workforce.

While other automakers posted sales gains in the second quarter of 2024, including most foreign-based car companies, Stellantis sales plummeted 21 percent. Stellantis has refused to join other automakers in offering sales incentives on its vehicles in order to maintain profit margins.

Workers in Toledo had been earlier forced to work a mandatory 7-day schedule to make up for production lost due to parts shortages. Those shortages had themselves been the product of Stellantis’s cost cutting, with the company feuding with suppliers over the pricing of parts.

The current round of layoffs follows the mass firing of at least 2,300 temporary part-time workers or Supplemental Employees (SEs) earlier this year, including 341 at the Jeep complex and 171 at Warren Truck.

In February, Stellantis cut 2,453 full-time and SEs at the

Detroit Assembly Complex-Mack. Other layoffs have impacted workers at the Sterling Heights Assembly Plant in the Detroit area, as well as hundreds of parts sequencing workers and at the transmission complex in Kokomo, Indiana. In March Stellantis eliminated the jobs of 400 engineering and technology workers.

The cuts have angered workers and are seen as further proof that claims of a “record” contract in 2023 were based on lies.

In response to the new cuts, the United Auto Workers’ PR department provided the *Detroit Free Press* with a pathetic statement from President Shawn Fain effectively accepting the cuts:

Stellantis can afford to keep Warren Truck running at two shifts, they just want to find another penny to pinch at the expense of hardworking autoworkers. Thanks to our contract, these workers will get layoff pay and benefits in the meantime while we fight to make sure Stellantis stops trying to kill U.S. jobs.

However, the UAW has proposed no action or otherwise provided any lead to workers being put into the street.

Meanwhile, local UAW officials have tried to downplay the layoffs, suggesting they are little more than an extended summer holiday for workers while management retools the factories.

A former supplemental worker at JNAP said, “There is a lot of uncertainty. A lot of people who are being scared again. Those who have been just rolled over can’t get too comfortable, because they still have a 90-day probation period.”

She said some terminated supplemental workers had received letters from Stellantis offering them jobs as temporary summer replacements. “There were maybe

around 187 supplementals fired at [Jefferson North Assembly Plant in Detroit]. The first round was about 120, and the second round was about 40. The rest got chopped March 1.

“I know a young lady who received a letter who was receiving unemployment. They contacted her about the summer program and threatened to cut off her unemployment if she refused an offer to go back to work. You have to accept it or you will be impacted in the future.

“They would rather pay us \$21 an hour than \$35 an hour to someone who is already topped out.”

The WWSWS explained that Boyer and Fain had lied to the SEs about being rolled over. “That’s not cool,” she said. “There is a lot of corruption in the UAW as a whole.”

A massive crisis is brewing in the UAW apparatus, creating favorable conditions for a rank-and-file rebellion against the union sellouts. The continued sellout of workers’ interests, new exposures of corruption and a June 25 court ruling that that further undermines the legitimacy of the 2022 UAW election, makes an indisputable case for the holding of a new UAW election.

The International Workers Alliance of Rank-and-File Committees has called on workers in every factory and workplace to build rank-and-file election committees to raise the demand for a new election and put the structures in place to guarantee its legitimacy.

Last week, a federal judge in Michigan ruled in favor of rank-and-file Mack Trucks worker and socialist Will Lehman against the US Department of Labor over its refusal to respond to complaints over the voter suppression in the 2022 UAW election.

The judge sharply rebuked the DOL’s refusal to seriously address Lehman’s complaints, describing the Labor Department’s reasoning as “pedantry,” “irrational” and “grounded in an arbitrary and capricious construction of the Election Rules that is not supported by their plain text or the prevailing case law.”

The federal court ruling was also an implicit rebuke to the UAW monitor, who was put in place following the corruption investigation that sent more than one dozen UAW officials to prison, including two former UAW presidents.

The monitor consistently refused to investigate complaints of election violations, including the failure of the UAW apparatus to even notify members that an election was taking place or to update contact lists to make sure members received ballots. To this day many UAW members are still not aware that an election even took place.

Meanwhile, a factional conflict at the top of the union has exploded into the open.

A recently published letter by UAW-Stellantis Vice President Rich Boyer made clear both he and Fain were

aware prior to the ratification of the sellout 2023 contract that Stellantis planned to fire thousands of temp workers.

The UAW obtained ratification of the contract by falsely claiming that all temporary workers with more than nine months would be promoted to full-time status. Instead, soon after the contract was ratified, Stellantis began the mass firings.

In May, Fain removed Boyer, a former committeeman at Warren Truck, as head of the union’s Stellantis department claiming, among other things, that Boyer had refused to “push back” against the firing of supplemental employees. Fain took over directly the Stellantis department, pledging a more aggressive approach.

Following the shakeup in the top union leadership, the UAW monitor dropped a new bombshell, reporting that his office was investigating new allegations of corruption involving Fain, UAW Secretary-Treasurer Margaret Mock and an unnamed UAW regional director. No further specifics have been made public.

In recent months Fain has emerged as a key backer of the Biden re-election campaign, appearing at rallies in support of the president and mobilizing UAW goons against protesters opposing the Biden-backed Israeli genocide of Palestinians at UAW-sponsored events.

The crisis in the UAW apparatus now merges with the crisis in the Biden re-election campaign, following the president’s disastrous performance at the debate with Donald Trump last week.

The defense of jobs, the fight against layoffs and the demand for the rehiring of all full- and part-time workers requires the building and expansion of the network of rank-and-file committees.

This must be connected with the demand for a new UAW election to remove the discredited Fain administration and carry out a program based on the interests of the shop floor workers. This will strengthen the fight for the transfer of power to the rank and file through the building of alternative structures to the corrupt and ossified UAW apparatus.



To contact the WWSWS and the
Socialist Equality Party visit:

wsws.org/contact