

Auto layoffs mount, as Trump praises UAW president for backing tariffs

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Anxiety over their jobs is increasing among autoworkers as the impact of Trump's trade war policies spread throughout the global auto industry.

On Friday, General Motors announced it would lay off 750 workers at its Oshawa Assembly plant in Canada in the fall due to US tariffs. The factory, which employs 3,000 workers, will reduce operations from three to two shifts. Another 1,500 workers will lose their jobs at suppliers and other related industries, according to the Canadian auto union Unifor.

Production is also being temporarily halted this week at the Stellantis minivan assembly plant in Windsor, Canada, affecting 3,800 workers. The one-week shutdown is second time in just over a month that production has been halted at the facility. It was previously shut two weeks in April as Stellantis evaluated the impact of 25 percent US tariffs on imported vehicles.

Amid warnings that the tariffs could trigger a wave of bankruptcies, closures and mass layoffs in the North American parts industry, car seat supplier Adient announced it will close two plants in Tennessee by June 27 after GM cancelled its contract to produce seats for Cadillacs built at a factory in Spring Hill. The closures in Maury and Henderson Counties will hit 400 workers, who are members of the United Auto Workers.

In early April, 900 workers were temporarily laid off at five Stellantis plants, including the Sterling and Warren Stamping plants in metro Detroit, and two transmission and one casting plant in Kokomo, Indiana. The plants supply Stellantis assembly plants in Windsor, Canada and Toluca, Mexico, where the automaker temporary halted production after Trump imposed 25 percent duties on all auto imports on April 3.

In addition, Volvo Group North America has announced that 1,000 out of its 7,000 workers at Volvo and Mack Trucks plant in Pennsylvania, Maryland and Virginia will be temporarily laid off in the coming months due to the impact of the tariffs.

A veteran Sterling Stamping worker told the WSWs over the weekend:

Word went around the plant that we were going to be off starting on Monday. Even a lot of the guys who voted for Trump are now saying cut the damn tariffs. No one is going to spend \$5,000 on top of the regular price for a SUV or car. We didn't get layoff slips but everybody is worried about it.

She denounced UAW President Shawn Fain's endorsement of Trump's trade war measures, saying:

Fain really flipped the script. He backed Biden and Harris, and now he's backing Trump. Inside the plants, we're through with Fain.

With opposition mounting against increasing layoffs and the dictatorial measures of the fascist president, Trump has looked to the longtime proponents of economic nationalism in the labor bureaucracy for support. Thus, he chose to hold a rally marking the first 100 days of his presidency last week in Warren, Michigan, an auto industry hub, just north of Detroit. But this backfired, with anti-Trump protesters outside the venue outnumbering his supporters inside.

In an interview aired Sunday on NBC-TV's *Meet the Press* program, Trump singled out Fain:

Do you know that the union, the head of the union, who was no fan of mine, Fain. ... He didn't endorse me. The Teamsters did. A lot of people did. A lot of unions did. But he didn't. He couldn't stand me. Now he's saying, "Wow, what Trump's done for the automobile [industry], I can't believe it."

I assume he's going to probably now say—the next thing he can say is, "I endorse this guy. He's the greatest I've ever seen." He can't believe it's happened. He said, "We've been waiting 40 years for somebody to do what Trump is doing."

Far from opposing the mounting attack on jobs and the threat of a major economic downturn, the UAW bureaucracy is joining Trump's efforts to divide US workers from their brothers in Canada, Mexico, China and other countries engaged in struggles against the same global automakers. Fain has also echoed Trump's argument that "re-shoring" US manufacturing is critical for "national defense," i.e., preparing for war against China.

At the nearby Warren Truck assembly plant, the UAW bureaucracy sanctioned the layoff of more than 1,500 workers last October. Stellantis executives, with the backing of local union officials, had consistently threatened to close the 90-year-old plant, if workers did not increase productivity and reduce absenteeism—the latter largely caused by exhausting workhours and workloads and the lack of any time off.

Last month, Stellantis put 1,000 workers on a one-month layoff, reportedly due to production disruptions of engines being shipped from Saltillo, Mexico. The only model currently being produced at the plant is the slow-selling and highly expensive Jeep Grand Wagoneer, which sells for \$85,000-\$121,000.

A veteran Warren Truck worker told the WSWs:

We have no future promise of anything else right now until maybe next year. I'm on second, limited shift but have been laid off or getting short work week for three months. The first shift is off until May 12. We were already told they might not be back. All this year, the first shift has not gotten a full week work or full 8

hours. It's worrying me, we can't get engines.

After doing nothing to oppose the Warren Truck layoffs, the UAW bureaucracy is trying to whip up anti-Mexican chauvinism by demanding that Stellantis cancel plans to expand production of the new 1500 Ram pickup at the Saltillo plant. The bulk of Ram pickups are built at the nearby Sterling Heights Assembly Plant, with overflow production done at Warren Truck until last year. According to the UAW bureaucracy, the only way to defend American autoworkers' jobs is by destroying the jobs of workers in Mexico, Canada, China and other countries.

In opposition to this, Will Lehman, a Mack Trucks worker who ran as a socialist candidate for UAW president against Fain in 2022, is calling for the expansion of the International Workers Alliance of Rank-and-File Committee (IWA-RFC) to unite workers across borders, abolish the pro-capitalist and nationalist union bureaucracies and transfer power to workers on the shopfloor.

Only in this way can workers fight to defend their jobs, including at Volvo-Mack Trucks plants in Pennsylvania, Maryland and Virginia, where 1,000 of the 7,000 workers face tariff-driven layoffs over the next few months,

Speaking at the international online May Day rally Saturday, May 3, Lehman said:

President Shawn Fain has spent months cozying up to Trump and endorsing his nationalist tariffs. It is nothing new for a union leader in the US to promote the dead end of nationalism. For decades, the unions have pushed it without saving a single job. Nationalism is a poison for workers. It has only led to the destruction of jobs. Divisions among workers and deeper exploitation in the race to the bottom. Nationalism pits worker against worker, distracting from the real class war, the war of the corporate oligarchy against the working class.

Opposing trade war and the drive to war against China, Lehman declared:

In the immensely powerful Chinese working class, we share the same class interests. Just like workers in the US, Chinese workers have demonstrated an immense desire to fight in recent strikes. If we are to win in the struggles ahead, we cannot be divided from our co-workers in or from any country. Instead, need to build bonds of unity that transcend national borders.

The collective labor of autoworkers all over the world are linked together in a process of synchronized global production, which makes absurd any references to "American-made" vehicles or cars and trucks of any other nationality.

Automotive News provided a description of the byzantine and largely arbitrary system set up by the Trump administration to determine the value of the "non-American" content of car components that travel multiple times across the borders of the US, Mexico and Canada.

The industry publication takes the example the journey of a piston and the various tariffs it will be subjected to depending on whether it is installed in a pickup truck whose final assembly is in a US or Mexican plant. Starting as raw aluminum from Quebec, it is melted and cast into a piston in Toronto, crosses the Canada-US border to be machined and finished in Detroit, where it is subject to a 25 percent tariff on piston's

value set to go into effect by May 3. The finished piston is then shipped from Detroit to Windsor for engine installation where it is not subjected to a tariff because auto parts are exempt from Canada's tariffs.

If the "Canadian-built" engine goes to a pickup assembly plant in Mexico, there will be no tariff because the engine is traveling through the US to get to Mexico, and Canada and Mexico are following free trade policies under the USMCA (United States-Mexico-Canada Agreement). Finally, the assembled pickup crosses the Mexico-US border bound for delivery at a dealership. In this case, it will be subjected to a 25 percent tariff on the vehicle's non-US content.

If the "Canadian-built" engine returns to the US for installation in a pickup assembled in the US, it will be subjected to a 25 percent tariff on its value, because an engine is a designated powertrain component. *Automotive News* reports:

While the vehicle itself has avoided a tariff, it now has input materials that may have been tarified multiple times.

After intense lobbying by the automakers, which announced reduced earnings projections due to the tariffs, Trump signed orders April 29 that gives partial relief, at least for now, to automakers compliant with the terms of the North American trade pact, the United States-Mexico-Canada Agreement (USMCA). These companies will now be able to apply for an offset against parts tariffs for two years, according to the executive order.

At the same time, the order ends the "stacking" of tariffs on auto parts that were subject to both the 25 percent tariff on the transaction value of the part, as well as the 25 percent tariff on the value of the steel or aluminum in the component.

Trump wrote in the order:

To the extent these tariffs apply to the same article, these tariffs should not all have a cumulative effect (or "stack" on top of one another) because the rate of duty resulting from such stacking exceeds what is necessary to achieve the intended policy goals.

But "imported vehicles" will continue to face a 25 percent levy, as do components from most other countries.

According to Bloomberg, these tariffs

are expected to substantially increase costs for automakers, upend supply chains and could drive up car prices that are already approaching \$50,000 on average. General Motors Co. on Thursday said it expects as much as a \$5 billion hit from Trump's tariff regime, even after the president softened some aspects of the levies.

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