Caterpillar announces more layoffs in Illinois and Canada

Marcus Day
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Over the weekend, heavy-equipment manufacturer Caterpillar announced that it will lay off a further 300 employees at its facility in Decatur, Illinois, in addition to the 460 job cuts it announced for that facility last month. The company also revealed that it would be closing a factory in Toronto, Ontario, resulting in a further 330 workers losing their jobs. This latest round of layoffs is part of Caterpillar's campaign to use the slowdown of demand in China and the persistence of the economic crisis internationally as pretexts for an intensified assault on the social position of its workers.

Caterpillar spokeswoman Barbara Cox told the Decatur *Herald & Review* that layoffs will come on top of cost-cutting measures already introduced in order "to bring production in line with demand": "While some cost-reduction measures such as temporary layoffs, shutdowns and shortened workweeks have already been implemented, further measures must be taken in the near-term."

Decatur, situated in central Illinois, is one of the most economically depressed cities in the state. Due to continuing deindustrialization, it has seen its population decline by nearly 20 percent since 1980. Before the latest round of layoffs, Caterpillar's plant in Decatur, which produces engine liners and engine blocks for the company's mining equipment, was one of the largest employers in the area, with roughly 4,000 workers out of a total population of 76,122. Altogether, the 760 job cuts will reduce the workforce at the plant by nearly 20 percent.

The town also houses the corporate headquarters of agricultural giant Archer Daniels Midland, which for its part announced 335 layoffs in Decatur and 1,200 companywide in 2012. Decatur's official unemployment rate at the end of last year already stood at 13.1 percent, almost double the national average.

Last week, Caterpillar also announced that it would be shutting down a tunnel-boring machine factory in Toronto by mid-2014, with a resulting 330 job losses. Caterpillar had acquired the plant from Lovat Inc. only in 2008. In a press release, Caterpillar executives declared that "the future prospects of this business no longer align with our expectations."

Caterpillar is the largest construction and mining equipment manufacturer in the world and is immensely profitable, pulling in a record $5.68 billion in 2012. Nevertheless, the layoffs in Illinois and Canada are only the latest round of job cuts being pursued internationally by Caterpillar. At the beginning of 2012, Caterpillar locked out 425 workers in London, Ontario, at the Electro-Motive plant after they refused the company's demands of a more-than-50-percent wage cut. After a month, Caterpillar announced it was shutting the plant entirely and shipping production to Indiana, where workers would be paid just $12.50 an hour (see "Caterpillar to close Ontario locomotive plant where workers resisted wage cuts").

In March of this year, the company announced that it was laying off 1,400 workers at its plant in Gosselies, Belgium, and 200 more at its facilities in France (see "Mass layoffs at Caterpillar in Belgium").

Caterpillar's layoffs over the last few years have been bound up with an aggressive attack on workers' wages and benefits. Last summer, in the midst of the announcements of record profits, the company demanded major concessions from machinists at a plant in Joliet, Illinois, leading to a bitter three-and-a-half-month strike. However, the workers' struggle was isolated and sabotaged by the International Association of Machinists (IAM), in addition to other unions such as the United Auto Workers (UAW) and United Steelworkers (USW), which refused to mobilize their

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members throughout Caterpillar's operations in defense of the Joliet workers. (See "Betrayal at Caterpillar").

Despite the eventual passage of the concessions contract, Caterpillar has nevertheless announced recently that workers at the Joliet facility will also face cutbacks, telling the *Beacon-News* that, "The level of manpower at the Joliet facility does not align with the current predicted build schedule and demand for products from the facility."

Moreover, the announcement of layoffs in Decatur and Toronto comes just days after 800 workers at Caterpillar's Global Mining plant in South Milwaukee rejected a concessions contract proposal pushed by the company and the USW (see "South Milwaukee workers reject sellout contract"). The agreement, praised by USW subdistrict director Ross Winklbaur as "one of the better contracts we have seen with Caterpillar," would have subjected workers to a six-year wage freeze, introduced mandatory overtime, and abolished retiree health care, among other painful concessions.

Five years after the onset of the capitalist economic crisis, high unemployment is being consciously maintained not just by Caterpillar, but by the entire bourgeoisie and its political representatives globally—above all the Obama administration—in order to blackmail workers and drive down labor costs. If Caterpillar has been successful thus far in its part of the campaign, it is due solely to the complicity of the trade unions, which, being wholly beholden to the Democratic Party, have isolated and strangled every attempt by workers to defend themselves against the attacks on their living standards.

The root of layoffs, wage cuts and concessions is not just one employer, Caterpillar, but rather an entire bankrupt economic and social system, capitalism. For any of their struggles to be successful, workers must launch a rebellion against the unions and break from the Democratic Party, organizing rank-and-file committees and adopting a revolutionary socialist perspective.

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