

UAW sanctions mass layoffs by farm equipment giant John Deere

George Gallanis
14 March 2016

Last week, Illinois-based Deere and Co., the world's largest agricultural machinery company, announced the layoff of approximately 125 employees. This is the third round of layoffs since last November. A total of 445 workers have lost their jobs so far.

The recent layoffs will affect two factories in Iowa, with Deere slashing 75 jobs at its Dubuque factory and approximately 50 jobs at its Ankeny factory. Layoffs at Dubuque will go into effect April 29 and the Ankeny factory will see its workforce dwindle April 15.

In February, Deere announced it was the laying off approximately 80 employees at its Davenport Works and 20 at Deere's factory in Dubuque. Both of these cuts will go into effect April 1. In November, Deere informed approximately 220 employees at the John Deere Seeding and Cylinder factory in Moline, Illinois that they would be laid off. The workers were terminated on February 15.

The company is conducting a ruthless cost-cutting campaign to make workers pay for the impact of the global economic crisis. This is taking place only months after the United Auto Workers rammed through a sellout agreement—in the face of the mass opposition of rank-and-file workers—that facilitates the downsizing of the company and the imposition of further concessions factory by factory.

Deere stated that the actions were “taken to align the size of the manufacturing workforce at individual factories with market demand for products made at each specific location.” It is likely Deere will lay off even more in the future. Deere's fiscal forecast for 2016 expects a 10 percent decline in sales. In a recent report, Deere saw its worldwide net sales and revenues for its first fiscal quarter decrease by 13 percent, to \$5.52 billion, compared with \$6.38 billion last year.

Deere's CEO, Samuel R. Allen, stated, “John

Deere's first-quarter results reflected the continuing impact of the downturn in the global farm economy as well as weakness in construction equipment markets. At the same time, all of Deere's businesses remained solidly profitable, benefiting from the sound execution of our business plans and the success of actions to develop a more responsive cost structure.”

In other words, Deere is counting on the collaboration of the UAW to slash as many jobs as it needs “to develop a more response cost structure,” i.e., to maintain its profits. Last October, the UAW pushed through a new six-year labor agreement, which maintains the hated two-tier wage and benefit system, increases out-of-pocket health costs and continues the erosion of living standards. The UAW claimed the contract, which covers 11,000 workers, was ratified by a margin of 180 votes; workers responded by accusing the UAW of stuffing the ballot.

The collusion of the UAW has ensured huge payouts to the company's top executives and wealthy shareholders. In 2015, Deere CEO Samuel R. Allen made \$15,770,056 in total compensation; Senior Vice President and Chief Financial Officer Rajesh Kalathur made \$4,352,810; Senior Vice President Jean H. Gilles made \$4,537,306; President of Agricultural Equipment Operations James M. Field made \$4,539,286; and Group President Michael J. Mack Jr. made \$4,875,918.

Speaking to the WSWs, a retired Deere worker who worked at the John Deere Waterloo Works in Iowa said, “Deere is a different place now. I think they're screwing these young people.

What's so terrible about Deere are these tiers. It was terrible back when I was there. The tier wages screwed everything up. This kid on second shift did the same exact job as me and got half the pay and he was pissed and I don't blame him.

“Hell. I think my pension is as much as some of these people are making these days now. And look at what the CEO is making. It’s so unfair.”

Regarding the suspicious character of last year’s contract vote, he said, “I went to the union meeting when they were going to ratify the recent contract and we listened to it for half an hour and left because we couldn’t take it. You can’t trust the vote; nothing would surprise me. The UAW are a bunch of fat cats and they sold them out.”

“The UAW should have stood up and fought to end the two-tier system, but they didn’t. It’s just a continuation.”

He further added, “You used to be able to raise a family with the wages you received at Deere, but you can’t now and that’s for most wages in the US. To me, it’s symptomatic to what’s going on in the world.”



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact