

Caterpillar, Butterball to close factories in Montgomery, Illinois, laying off 1,400 workers

Marcus Day, George Marlowe
24 May 2017

Butterball, the turkey product manufacturer, announced plans last week to close its meat processing plant in Montgomery, Illinois, located in suburban Chicago, by July 17.

The closure will wipe out some 600 jobs and comes on the heels of the announcement last month that construction equipment giant Caterpillar will shut down its Aurora production facility, also located in Montgomery, laying off over 800 workers.

The dual factory closures, taking place in an area already hard hit by decades of deindustrialization, further undermines the fraudulent claims put forth by the media and Trump administration that the US economy has reached “full employment” amidst a manufacturing renaissance.

Butterball LLC, based in North Carolina, operates plants in that state, Illinois, Missouri and Arkansas, and is co-owned by Maxwell Farms Inc. and the Seaboard Corporation, the agribusiness multinational. In the US, the company sells over 1 billion pounds of turkey annually and employs approximately 7,000 people.

A “vertically integrated” turkey processor, Butterball purchased its Montgomery plant just four years ago from Gusto Packing Company, a small pork product producer founded in 1972. It is the company’s only production facility in Illinois.

Butterball COO Jay Jandrain cited the timeworn justifications of changing “market conditions” and “consumer needs” in announcing the shutdown. Jandrain claimed disingenuously that Butterball was “committed to retaining as many of our Montgomery employees as possible” and would offer relocation assistance to employees—if there was an available position at one of the company’s plants hundreds of miles away.

The company also announced earlier this year that it would combine two shifts at its Carthage plant in western Missouri, laying off 75 workers.

The closure of the Butterball plant in Illinois will compound the painful situation workers in the area already confront following the announcement of job losses at Caterpillar in April. Both plants are located next to Aurora, a far-western suburb of Chicago and the second-largest city in Illinois.

The state has hemorrhaged 300,000 factory jobs since 2000, and currently has fewer jobs than in that year, according to the site *Illinois Policy*. The trend has continued and even accelerated up to the present, with 5,000 manufacturing jobs lost in 2015, 7,700 in 2016, and 800 in the first three months of this year.

The trade unions, including the United Auto Workers (UAW), the United Steelworkers (USW) and the International Association of Machinists (IAM), have facilitated this disaster, working with corporate management to slash labor costs, shut down one factory after another, and thereby inflate “shareholder value.”

As has now become a standard procedure in union-company negotiations, Caterpillar first floated the possibility of closing the Aurora plant at the opening of contract negotiations at the beginning of this year, thus seeking to intimidate workers who were determined to regain past concessions. The proposal also contained a wage freeze for older workers and new attacks on health care, among other givebacks.

Despite the UAW’s efforts to ram through the contract without allowing members to study the full agreement, there was immense opposition among workers, with the largest local, in Peoria, voting it down by at least 55 percent.

Nonetheless, after delaying announcing the results of the vote, the union claimed a ratification, and within days, Caterpillar formally announced the planned closure of the Aurora plant by the end of 2018. Nearly two months later, the UAW has yet to release either a vote total or the full contract, or even issue a comment on the plant shutdown.

Reporters from the *World Socialist Web Site* recently distributed copies of the *Autoworker Newsletter* at the Aurora plant and spoke to workers about the impact of the job cuts and the aftermath of the contract vote.

“It’s absolutely not good,” said Charles. “I’ve worked here 45 years and I’ve been through a lot. I still can’t understand why in the world they are going to close the Aurora plant since they are making money.”

“Back in the early 1970s,” Charles added, “the UAW was a very strong union. By the ‘90s things started to go to pot. Now it seems like they do nothing. They just collect dues. And I’m not the only one who feels like that.”

Charles and others noted that workers at the plant were either retiring or leaving for other jobs as soon as they could, and that Caterpillar was actually hiring more temporary workers in the interim.

“It’s very disturbing and I was going to be retire anyway. They said that at the end of next year they are going to close. It’s just mind-boggling.”

A temporary Caterpillar worker also spoke about the impact of the Butterball shutdown to his family. “My mother works at Butterball. It’s going to be very bad for our economy here. I used to work at that plant before it got bought by Butterball and it had very bad management then. I used to be a top worker there and the supervisors would always try to find something wrong with what I did. And so I left there.”

“I was going to call him to tell him about Butterball,” a Caterpillar worker with three years chimed in. “I thought, ‘Oh, no. Not his mother!’”

“Many of the workers [at the Caterpillar plant in Aurora] are leaving to find other jobs,” he added. Referring to the massive new fulfillment centers that Amazon is planning to open this year in Aurora—where workers will be paid a fraction of the wages at Caterpillar—he said, “Some are applying to Amazon. But I hate to see our jobs go. We are not valued as an asset to Caterpillar. We are just workers and the stockholders come before us. They’ve got the money and control things, but we are the backbone.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact