

Kimberly-Clark to lay off over 600 workers and close two plants in Wisconsin

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Approximately 610 workers at paper products manufacturer Kimberly-Clark in northeastern Wisconsin's Fox River Valley learned late last month that they will lose their jobs by 2019 as their plants are shuttered as part of an international restructuring.

The global producer of brand products such as Huggies diapers, Kleenex facial tissues, and Cottonelle toilet paper announced the imminent closure of two plants: Neenah Nonwovens located in the city of Neenah, and Cold Spring Mill in the village of Fox Crossing. Workers at the Cold Spring Mill are represented by the United Steelworkers (USW), while the Nonwovens facility is non-unionized.

The announced layoffs and closures are part of a plan, announced by the company on January 23, that would cut as much as 5,500 jobs companywide, roughly 13 percent of its entire workforce. Citing a decline in annual sales between 2013 and 2016, the restructuring plan will involve the closure or selling off of 10 of its plants across the world. Kimberly-Clark's sales rose slightly in 2017 from the previous year, netting \$2.28 billion in profits.

Audaciously, the company announced that it plans to spend up to \$1.7 billion on its restructuring, utilizing funds gained from the Trump tax cuts to partially fund the plant closures along with delivering increased capital returns to its shareholders.

Paper manufacturing presently employs around 31,000 workers in Wisconsin, which has historically been the top producing state nationwide, with annual production yielding approximately 5.3 million tons of paper and 1.1 million tons of paperboard. Many of the major paper producers operate along the Fox River, which flows into Lake Michigan through Green Bay. Kimberly-Clark was founded in Neenah in 1872 and currently employs about 3,200 workers in the northeast

region of the state.

However, the state's paper manufacturing industry has experienced a staggering decline over the last two decades, resulting in part from the shift to digital over print communication, changes in methods of manufacturing, and difficulty competing with competitors with lower production costs and more affordably priced goods.

At least 34 paper facilities were shuttered between 2000 and 2013, eliminating 17,000 jobs. More than 1,400 paper manufacturing jobs were lost in the Fox River Valley in just the last five months of 2017.

As part of the broader trend of deindustrialization in the United States' Midwestern "Rust Belt," Wisconsin has lost more than 120,000 manufacturing jobs since 2000 and experienced the largest decline in middle-class income households in the US between 2000 and 2013, according to a research study by the Pew Charitable Trusts.

In response to the announced layoffs and plant closures, Wisconsin's Republican Governor Scott Walker announced that he would propose legislation for a scheme utilizing Wisconsin's Enterprise Zone Program to raise Kimberly-Clark's tax credits from 7 percent to 17 percent of the company's payroll in hopes that the tax credit would spur retention of a portion of the workers slated for layoff and halt closure of the two plants.

This proposed increase in job retention credits is nearly identical to the one that was awarded to Taiwan-based electronics manufacturer Foxconn by the Wisconsin Economic Development Corporation for agreeing to construct a TV screen factory in Mount Pleasant and hire up to 13,000 workers. Foxconn was awarded \$3 billion in tax credits for agreeing to invest \$10 billion in the construction of its new operations, a

giveaway of public money that will take an estimated 25 years for the state to recoup.

The same day, Democrats in the state legislature made a counterproposal, in the form of legislation dubbed the Papermaker Fund bill, which would reallocate \$60 million in state aid from the Foxconn deal, 2 percent of the \$3 billion investment, to provide Kimberly-Clark and other privately owned paper mills with public funds to make upgrades in energy efficiency and produce more desirable grades of paper.

Predictably, local Democratic politicians promoted economic nationalism, attacking Walker's tax giveaways from the right. "I understand that if the state of Wisconsin can muster \$3 billion for a foreign company, it can spare 1 percent for one of its own. We need to help the home team. That's why we're here today," stated Tom Nelson, the county executive of Outagamie County, where both Kimberly-Clark plants are located. Democratic State Senator Dave Hansen quipped, "Unfortunately our governor can't seem to give enough of our tax dollars to a Taiwanese giant, Foxconn, and doesn't seem to care."

At present, Kimberly-Clark has not publicly responded to either of the competing offers.

In a similarly fashioned self-exposure of the political bankruptcy of the economic nationalism of the unions, USW President Leo Gerard lamented in an article published by Alternet that Trump had not enforced a 45 percent tariff on Chinese imports that he promised during his presidential campaign, claiming "the government's failure to enforce international trade law bankrupted many of the Fox Valley plants as China plastered the U.S. market with underpriced, illegally subsidized paper. ..."

Exposing the role of the USW in functioning as labor police in the driving down of wages and benefits to maximize profitability and market competitiveness, Gerard continued "The USW workers at the Cold Springs [sic] factory thought they would be spared. Their plant was profitable, and over the past several years, workers had collaborated with managers to reduce costs. Just a few weeks ago, corporate officials told the Cold Springs [sic] plant that it achieved the best overall cost reduction."

Gerard previously served on President Obama's Advisory Committee on Trade Policy and Negotiations and has been one of the most enthusiastic supporters of

Trump's America First reactionary nationalism, promoting trade war against China alongside Steve Bannon, Trump's fascistic former chief strategist.



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