

Harley-Davidson workers' anger grows over impending Kansas City plant closure

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Anger among workers at Harley-Davidson continues to build over the planned closure of the motorcycle manufacturer's Kansas City, Missouri assembly plant. Fueling the outrage is the company's brazen display of corporate greed, as they revealed weeks later that they would be showering investors with hundreds of millions of dollars more in dividends and stock buybacks.

The initial announcement of the plant closure on January 30 came on the heels of the enactment of President Donald Trump's corporate tax-cut package. The news was an embarrassment for the Trump administration and refuted claims by Republican Party officials and their media mouthpieces that the legislation would benefit American workers through better job security and higher wages.

Trump, who lauded Harley-Davidson executives when they visited the White House in February 2017, asserted at the time—baselessly—that the company was “going to even expand” following the slashing of corporate taxes. “We want to make it easier for businesses to create more jobs and more factories in the United States, and you’re a great example of it,” he added.

Republican House Speaker Paul Ryan, visiting a Harley plant in Wisconsin the following September, said, “Tax reform can put American manufacturers and American companies like Harley-Davidson on a much better footing to compete in the global economy and keep jobs in America.”

Harley has stated that its effective tax rate for 2018 will drop by roughly 10 percentage points, from approximately 35 percent to 25 percent or less. With annual pre-tax income of around \$1 billion, the company stands to save nearly \$100 million per year.

As Harley's decision to close its Kansas City plant

demonstrates, the corporate tax cut bonanza was intended from the beginning solely to enrich American companies' wealthy executives and investors, while doing nothing to improve workers' living standards let alone prevent future layoffs or factory closures. Meanwhile, the reduction in government tax revenue as a result of the cuts is being used to justify massive reductions to social services, public education, health care, and other programs on which the working class and poor rely.

As Rick Pence, a worker with over 20 years at the Kansas City plant, told MSNBC, “When the tax cut finally rolled down to us, I got about \$16, \$17 more a week. But now Harley's giving me one heck of a tax cut, ‘cause I won't have no income at all next year.”

“They're just pulling the rug out from underneath us. Putting 800 people out on the street, and all our families, too.”

Adding insult to injury, workers were not informed of the decision until the morning the company released the news to the press. Workers were kept in a hallway, told the plant would be shut down, and sent home for the day without pay, according to a report by the online news site Vox.

Harley has claimed that it had no choice but to shut down its Kansas City plant in the face of flagging sales, with those in the US declining 12 percent in the first quarter of this year. Nervous over recent reports of workers' anger over the plant closure, the company blocked the press from attending its annual shareholders meeting on May 10, while writing in a statement, “Unfortunately there is nothing that could have been done to address the pressure of excess capacity we have in the US market.”

However, these claims are contradicted by the company's recent moves to open the spigots and

transfer enormous sums of money to its shareholders.

Less than a week following the news of the closure of the Kansas City factory, Harley announced that it would increase its dividend and initiate the repurchase of an additional 15 million shares, valued at \$696 million.

In an April conference call with Wall Street analysts, Harley Chief Financial Officer John Olin obliquely referred to plans for layoffs and restructuring as a “multiyear manufacturing optimization initiative...[which] will simplify our manufacturing footprint,” while emphasizing the company’s determination to enrich its investors, stating, “Beyond what we invest in the business we will return and continue to return all excess cash to our shareholders.”

The inflation of Harley’s stock price will overwhelmingly benefit a handful of major financial institutions. Just ten firms control nearly sixty percent of Harley’s shares, while the top three—Capital Research Global Investors, the Vanguard Group, and BlackRock—own approximately 30 percent of Harley’s shares.

Harley’s looting of workers’ livelihoods in order to give ever-larger windfalls to the financial aristocracy is by no means an aberration, but rather increasingly the norm. Corporations have spent at least \$158 billion on stock buybacks in the first three months of 2018, and analysts from Goldman Sachs expect that corporate spending on buybacks and dividends will continue at the current record pace, topping \$1.2 trillion by the end of the year.

While the corporations are accelerating their drive to transfer billions of dollars and more from the working class to their coffers, the trade unions are doing everything possible to block a collective fight back, and instead are promoting illusions in appeals to the Trump administration, while simultaneously seeking to whip up national chauvinism and direct workers’ anger against their brothers and sisters in other countries.

Following the announcement by Harley in 2017 that it would be opening a plant in Thailand, Robert Martinez, Jr., the president of the International Association of Machinists (IAM), which represents most of the workers at the Kansas City plant, said, “It’s a slap in the face to the US workers who built an American icon.” In March, Martinez wrote a letter to Trump, saying it was “galling” that the company

supported jobs overseas, and appealing to the president to intervene with Harley executives. “Our nation deserves better,” he said.

The nationalism promoted by the unions, based on the lie that American workers and corporations share the same interests, dovetails with the “America First” chauvinist populism peddled by Trump and his fascistic advisers.

In reality, the true allies of Harley workers in Kansas City are not the criminal billionaire politicians such as Trump, but rather the millions of workers in South America, Asia, Europe and beyond, who share the same class interests as workers in the US. If workers are to conduct a successful fight against plant closures and in defense of secure, safe, good-paying jobs, wages and benefits, they must break with the pro-capitalist unions and form their own democratically elected organizations—rank-and-file factory committees—that unite with workers internationally in a common struggle.



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