

John Deere to lay off 57 workers at Davenport, Iowa, assembly plant

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Farm and heavy equipment giant John Deere announced last week it was laying off 57 workers from its Davenport Works plant in Iowa on January 6. The plant manufactures forestry and construction equipment.

Projecting a 10 to 15 percent drop in forestry and construction sales next fiscal year and farm equipment sales to drop 5 to 10 percent, Deere is making workers pay for this downturn in order to protect its profits and meet the expectations of Wall Street investors.

“Each Deere factory must balance the size of its production workforce with customer demand for products from their individual factory,” Ken Golden, Deere’s director of public relations wrote in an e-mail. Golden claimed the layoffs were made “in response to current market conditions.”

Since August, when the company announced it would slash costs to increase profits through “organizational efficiency,” which the WSWS warned meant new rounds of layoffs, Deere has laid off 163 Deere workers across Iowa and Illinois. Additionally, Deere extended the layoffs of 100 already temporarily laid-off workers and cut the hours and pay of another 300. Last month, it revealed plans to cut its workforce through a “voluntaryseparationprogram.” The program seeks to reduce the ratio of more-senior and higher-paid workers to lower-paid workers.

Deere management has laid off thousands of workers in the past decade secure in the knowledge that the United Auto Workers (UAW), of which some 11,200 Deere workers are members, will do nothing to hinder the drive for profits.

Seeking to dismiss the WSWS’s warning in August of pending layoffs, UAW Local 281, whose jurisdiction includes the Davenport Works plant, published a post on its Facebook page admitting, “Deere will no doubt

take steps [to] adjust to a market downturn, which is their job. To what impact if any that has on our workforce is unknown.”

In other words, business as usual. The UAW accepts the position of Deere as business entity to maximize the profits made off the backs of the workers. It is the right of Deere to make as much money as it pleases and lay off as many workers as it wants, and, therefore, it is the job of the UAW to uphold this parasitic relationship.

Across the industries where it bargains on behalf of workers, the UAW has collaborated in the destruction of thousands of jobs and overseen the shuttering of one plant after the next. Deere is able to slash its workforce at will knowing full well the UAW will do nothing to oppose it. The UAW functions as a de facto managerial arm for Deere and systematically carries out its demands.

In 1997, the UAW imposed a two-tier wages and benefits system, significantly slashing pay for workers hired in subsequent years. In 2015, under highly suspicious circumstances, the UAW rammed through a six-year contract that continued the hated two-tier wage and benefit system, and increased worker’s out-of-pocket health care costs.

Former UAW Vice President Norwood Jewell, who is serving a 15-month sentence for his role in the UAW corruption scheme at Fiat Chrysler, led the 2015 sellout contract at Deere.

The latest round of layoffs at Deere will likely not be the last. President Donald Trump’s trade war is impacting America’s farm sector. Income of American farmers has declined due to the trade war between China and the United States. According to data from the American Farm Bureau, China has reduced its import of US farm produce from \$19.5 billion in 2017 to just \$9.1 billion in 2018.

The collapse in demand for farm products combined with disastrous weather conditions has increased economic pressure on American farmers, leading to growing number of bankruptcies and suicides.

Despite declining sales and cuts to its workforce, Deere has not reduced payouts to its stockholders. It has maintained its dividend of 76 cents per share, which it increased in September 2018. Moreover, since 2016, Deere's stock price has more than doubled. Hovering at lowest price of \$73 in 2016, Deere's stock price rocketed to its current price of some \$172. Deere's total sales have also increased from \$23.1 billion in 2009 to \$37.3 billion last year.

Meanwhile, Deere's chairman and former CEO, Samuel R. Allen, raked in a total compensation of \$18.5 million in 2018, including a base \$1.5 million salary, plus incentives, stock, and other compensation.

There is more than enough money to meet the needs of all Deere workers. However, the UAW and other unions, including the International Association of Machinists (IAM), have repeatedly demonstrated that they are in cahoots with management against the workers.

Deere workers must take this fight into their own hands by forming rank-and-file factory committees independent and opposed to the UAW and IAM. Appeals must be made to their brothers and sisters at Caterpillar, the Detroit-based auto companies, and other sections of the working class in the US and globally for a unified offensive against the attacks on jobs and wages.



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