

Deere CEO John May brought onto Ford board of directors

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The appointment earlier this month of Deere & Co. CEO John May to the Ford board of directors has drawn praise from industry analysts who are citing, among other factors, his hard line against the strike by US Deere workers.

May will serve on Ford's finance, compensation, talent and culture, and nominating and governance committees. His election will expand the board to 15 members. The position comes attached to a six-figure salary, which May will pocket on top of his \$15.8 million-plus compensation from Deere in 2020. Before holding the post of Deere CEO, May served in several other capacities, including three years as head of the company's Chinese division.

A report in the December 30 edition of the *Detroit Free Press* took note of May's role in the Deere strike and contract settlement, a six-year sellout deal forced through by the United Auto Workers that failed to meet workers' demands for the restoration of retiree health care and raises large enough to make up for years of declining real wages.

The *Free Press* wrote, "While some observers might view any strike as a negative reflection on company leadership, history shows that Wall Street tends to reward executives who play hardball with labor."

The *Free Press* cited one "industry observer," John McElroy, host of the Autoline After Hours podcast, who said that Deere's recent resolution of the six-week strike under May is "icing on the cake" for his credentials.

May led Deere & Co. to record profits this year, with the company taking in nearly \$6 billion, far exceeding its previous record of \$3.5 billion set in 2013. Deere's blowout earnings, reaped during an uncontained global pandemic, went in their vast majority to the company's large shareholders, and were extracted through the

intense exploitation of Deere's global workforce.

During the walkout and rebellion by workers earlier this fall, Deere took an increasingly aggressive line, refusing to budge and meet workers' demands for major wage increases and retiree health benefits. The company secured a punitive court injunction against striking workers in Davenport, Iowa, prohibiting their use of fire barrels or even chairs.

After workers repeatedly defied the UAW's attempts to push through the company's demands, twice voting down contracts by large margins, Deere executives went on a media blitz, lying through their teeth that there was "no more money," while threatening to ramp up production overseas and bring in permanent strikebreakers.

With contracts at the Big Three automakers expiring in 2023—not to mention growing outrage among workers over the rapid spread of COVID-19 in the auto plants in the immediate situation—Ford no doubt welcomed the chance to bring on a ruthless and experienced hand, in anticipation of future showdowns with its workers.

The placement of May on its board of directors takes place as Ford prepares to implement a significant restructuring around electric vehicles. The company has set a target of having EVs account for 40 percent of its production by 2030. The shift to electric vehicles involves a large investment of technical resources and will entail an assault on the jobs and living standards of auto and auto parts workers, who will be forced to bear the cost of the new technologies.

Earlier this year Ford announced an \$11.4 billion investment in EV production at sites in Kentucky and Tennessee, extorting massive tax breaks and other "incentives" from local authorities in the process. The megasite outside of Memphis is being called Blue Oval

City, after the Ford logo, and will reportedly dwarf Ford's giant Rouge facility outside Detroit.

In announcing the appointment of May, Ford Executive Chair Bill Ford pointed to the Deere chief's role in implementing major changes in technology. "May's experience helping to transform Deere as a smart industrial company is relevant to Ford's own ambitious transformation, and brings additional valuable insight to the Ford board."

The statement continued, "Our industry is in an exciting period of disruption and we're changing Ford in significant ways that are good for all our customers and stakeholders, with advanced technology and digital connectivity at the center. That's what Deere is doing in its businesses, making John's expertise invaluable to our board as the Ford management team executes the company's strategy for growth and value creation."

While May's technical experience may have been a factor in the decision by Ford to bring him onto the board, his experience in the Deere strike likely sealed the deal.

Electric vehicles require far less labor to build than gas-powered cars and trucks, since there are far fewer moving parts. This spells layoffs for auto assembly workers. The auto companies are already attempting to outsource EV components such as batteries to lower wage operations through the use of various forms of subcontracting.

Significantly, Ford has not committed to recognizing the United Auto Workers at the new facilities it is constructing, saying only that workers will be allowed to vote. If the union is eventually brought in it will almost certainly be on the basis of a "competitive" labor agreement ensuring lower wages and costs to Ford.

The financial stakes involved in the shift to EV production are enormous. Earlier this week Ford's stock valuation topped that of General Motors for the first time in five years, reaching \$83 billion. The company's stock has doubled this year, largely on the basis of its push for EV production. The valuation of EV maker Tesla, which has sold only a small number of vehicles compared to its Detroit-based rivals, is in the range of an astronomical \$1 trillion.

Highlighting the speculative character of EV investment, Rivian Motors, partially owned by Ford, has a market capitalization of \$92.6 billion, higher than

Ford, despite the fact that it has produced and delivered at most only a few hundred vehicles. To sustain these huge stock valuations, profits will have to be sweated off the backs of autoworkers at an extraordinary rate.

May's appointment to Ford's board of directors highlights the incestuous character of corporate leadership in the US, with a narrow selection of well-connected and lavishly paid executives waging ruthless war against workers and the public interest more broadly.

Last year Ford brought former Utah Republican Governor Jon Huntsman Jr. back onto the company's board as vice chair of policy. A wealthy businessman, he has served in every US administration since Reagan, with the exception of Biden's. Most recently he held the post of US ambassador to China under Obama and ambassador to Russia under Trump.

Another director, William Kennard, has served on the boards of many private equity firms, including the notorious Carlyle Group. From 1997 to 2001, he was chairman of the U.S. Federal Communications Commission and served as the US ambassador to the European Union from 2009 to 2013. He currently serves on the boards of AT&T, MetLife and Duke Energy Corporation.

Mitch Bainwol, Ford's chief government relations officer, is retiring this year. Another well-connected political insider, he served as president and chief executive officer for the Alliance of Automobile Manufacturers. He worked in high-level staff posts for various members of Congress, as well as a stint as chief of staff for the Republican National Committee.



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