

# Six things striking CNH workers need to know about the company

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The strike by 1,200 workers at CNH Industrial in Wisconsin and Iowa is set to enter its fourth week on Monday. The agricultural and construction equipment workers, seeking to reverse previous concessions, are fighting for significant improvements to wages, benefits and working conditions.

While workers at CNH are determined to fight for their livelihoods and those of the next generation, the United Auto Workers union has been meeting behind closed doors with management, working with a strategy to isolate and ultimately sabotage the strike and force workers to accept a contract that meets none of their demands.

The company has taken a hard line against workers, deploying salaried personnel and outside scabs to continue production, and terminating workers' health benefits. With its ruthless strikebreaking efforts, CNH is declaring that there is "no money" to substantially raise workers' living standards.

But the reality is that CNH oversees global operations, raking in billions and paying its executives and shareholders handsomely.

## 1. CNH is a transnational giant.

Among farm implement makers globally, CNH (formerly known as Case New Holland) is second only to John Deere by sales, wielding immense influence over the planet's agricultural production.

The company maintains commercial operations in nearly every corner of the globe. North America accounted for the largest share of CNH's revenue in 2021, at \$7.8 billion, followed by Europe (\$5.3 billion), and South America (\$3.1 billion). Sales in Asia, Africa and Australia totaled \$3.2 billion.

As of December 2021, CNH employed nearly 37,000 people worldwide in industrial activities. The large majority (31,100) are involved in producing ag equipment, such as tractors, combines, and cotton and sugar cane harvesters. A smaller share of employees (5,770) produce the company's Case-branded construction equipment, including backhoes and dozers.

The company's brands include Case, Case IH, STEYR and New Holland Agriculture, as well as sister powertrain brand FPT Industrial.

In December, CNH spun off more than 31,000 workers at its commercial trucks division into a separate company, Iveco, which also operates internationally. CNH's owner Exor, a holding company controlled by Italy's billionaire Agnelli family, remains the dominant shareholder of Iveco.

Globally, the majority of CNH's employees, over 14,000, are located in Europe, followed by North America (11,000), South America (nearly 8,000), and 4,500 scattered throughout the rest of the world. The company has 10 plants in the US, four each in Italy and Brazil, three each in France and India, and a number more in other countries.

This international workforce—along with the workers at CNH's myriad parts producers and suppliers—are the strikers' natural allies and a potential source of colossal strength. Objectively, workers in Burlington, Iowa, and Racine, Wisconsin, are bound together with thousands of their brothers and sisters around the world in a vast, interconnected web of production, assembling and producing highly valuable and socially vital equipment.

## 2. The company is coming off a year of record corporate earnings.

Business is booming for CNH. For 2021, CNH's annual gross profit was \$7.5 billion, a 58.92 percent increase from 2020. Notably, CNH's 2021 annual gross profit is even more than its 2019 profits, of \$6.2 billion, before the pandemic occurred.

CNH recently released its first quarter financial results, which outperformed the expectations on Wall Street. The first three months of 2022 for CNH saw its industrial operations sales grow 13 percent, rising to \$4.2 billion. Its Earnings Before Interest and Taxes (EBIT, a main measure of profitability) rose to \$429 million for the quarter, up 9 percent compared to 2021. CNH's net income was down roughly \$27 million from the year prior, due mainly to the company's suspension of operations in Russia.

## 3. CNH is the product of decades of mergers, downsizing, and job cuts in the ag and construction equipment industries.

What is known today as CNH is the end result of mergers and consolidation over the span of decades. The frenzied competition of corporations under capitalism is driven by the need for profit, resulting in the gobbling up of companies and the slashing of jobs and workers' wages.

Among the main predecessors of CNH were farm equipment companies J.I. Case, founded in 1842, and International Harvester, which also traced its roots to the mid-1800s and the McCormick family dynasty.

Beginning in the 1980s, the capitalist ruling class around the world launched a counteroffensive against workers. In July 1979, Democratic President Jimmy Carter had appointed Paul Volcker as chair of the Federal Reserve. In the name of combatting inflation—in reality, implementing a deliberate strategy to beat back workers' demands for higher wages, much as Fed Chair Jerome Powell is doing today—Volcker drastically raised interest rates.

Volcker's high-interest rate regime, continued under President Reagan,

had the knock-on effect of devastating large numbers of US farmers, who had in preceding years taken on significant amounts of debt, which now became unsustainable with interest rates in the double digits. The farm crisis of the 1980s, combined with a deliberate corporate campaign of deindustrialization and job cuts, resulted in thousands of workers at Case, Deere, Harvester and similar companies being thrown into unemployment.

At the same time, these attacks were met with heroic resistance by workers, including during the 1979-80 International Harvester strike, one of the longest in the UAW's history, and the 1986-87 strike-turned-lockout at John Deere.

In 1985, International Harvester, once a giant of American capitalism, sold its farm equipment division to Case's then-parent company, Tenneco. Its commercial truck division, meanwhile, was spun off, eventually becoming the corporation known today as Navistar.

Successive waves of acquisitions, mergers and consolidations followed, invariably leaving shuttered factories and jobless workers in their wake.

In 1999, Case Corporation merged with rival farm equipment maker New Holland N.V., which was owned at that point by Italian auto and industrial equipment firm Fiat. In 2011, Fiat Industrial was founded after the demerger of the activities of Iveco, CNH Global N.V. and FPT Industrial from Fiat S.p.A. Two years later, in 2013, CNH Industrial was formed, following the merger of Fiat Industrial and CNH Global N.V.

Since then, CNH has laid off thousands of workers, consistently trimming its workforce as it acquired more and more companies at the cost of billions.

#### **4. The company has squandered huge sums on executive compensation and payouts to wealthy shareholders.**

The ebbing and flowing of mergers and demergers along with the driving down of costs in the form of destroying jobs has been done to pump out profits for CNH's wealthy shareholders and executives.

In its most recent earnings call, CNH Chief Financial Officer Oddone Incisa gushed about the large amounts of money being gifted to investors. This month, the company paid out its largest ever dividend to shareholders, a sum of 380 million euros (approximately \$400 million). CNH is also spending \$100 million in share buybacks, a technique to pump up the company's stock value, further enriching the company's biggest investors.

CEO Scott W. Wine's pay, meanwhile, was a staggering \$21 million in 2021, while other top executives were similarly showered with millions in salaries and stock awards.

#### **5. CNH is owned in large part by the Agnelli family, the Italian billionaire dynasty which made its fortune at Fiat.**

Above the CEO and shareholders sits the Agnelli family, an Italian billionaire dynasty. Italy's Agnelli family owns a controlling stake in both CNH and Iveco, as well as being the largest shareholder of auto giant Stellantis and luxury carmaker Ferrari. The family's total worth was estimated to be \$13.5 billion in 2014 and has no doubt climbed far higher since. One member of the family alone, Andrea Agnelli, had a fortune of \$19 billion as of 2021.

For decades, the extremely wealthy Agnelli family has overseen major business deals and invested in major companies. In addition to Stellantis,

Ferrari and CNH, they've invested in Alfa Romeo (1986) and Chrysler, the latter acquired by Fiat after it filed for bankruptcy in 2009. The Agnelli family is also a majority investor of Serie A football club Juventus F.C.

#### **6. Executives at Fiat, CNH's former parent company, pled guilty to bribing UAW officials in return for "company-friendly" agreements.**

The strike by CNH workers is the first one in nearly 20 years. This fact is certainly not because workers were satisfied with their pay conditions over the last two decades. Rather, the UAW has worked to suppress strikes and enforce pro-company contracts, as did at Deere, Caterpillar and the major automakers.

When the last strike began in May 2004, workers struck at plants in Wisconsin, Iowa, Illinois and Minnesota to stop moves towards a new tiered wage and benefit structure, in which the company was seeking to brutally slash pay for new hires.

However, 19 days into the strike, the UAW ordered workers to return to their plants, declaring an unconditional surrender in response to CNH's moves to unilaterally impose its terms. The company, handed the initiative by the UAW, took the offensive and initiated a lockout which was to last 17 weeks.

Former UAW Region 4 Director and later UAW President Dennis Williams—who is sitting in jail for his part in a massive UAW conspiracy to embezzle millions in workers' dues—led the union's ramming through of a contract workers had originally struck against.

The late Fiat Chrysler CEO Sergio Marchionne, who served as chairman of CNH Global from 2006 till his death in 2018, was implicated in the automaker's bribery of UAW officials to secure company-friendly agreements. Marchionne and Williams were notorious among autoworkers for their warm embrace during the opening of contract talks at the Big Three in 2015.

In 2021, Stellantis, Fiat Chrysler's successor, pleaded guilty of funneling \$3.5 million in bribes to UAW officials. The corruption investigation, which was reported to be continuing as recently as late 2021, sent three FCA executives and at least a dozen UAW officials to prison, including two former union presidents.

#### **The necessity for rank-and-file committees and an internationalist strategy**

Striking CNH workers are being lied to. There are ample resources to meet the needs of workers and their families.

All over the world, workers are beginning to move into struggle, launching strikes or demonstrations in an effort to overcome the ravages of inflation. This includes workers at Detroit Diesel, who recently voted to reject a contract negotiated by the UAW with just an 8 percent raise over six years.

However, workers face in the UAW an organization that has long colluded with the companies, including CNH, forcing through painful concessions contracts on their behalf. What is necessary now is the independent initiative of workers to build rank-and-file committees, expanding the recently formed CNH Workers Rank-and-File Committee at every plant, in order to articulate and fight for workers' real needs, and to break through the information blackout imposed by the UAW.

In confronting an international company of CNH's size, workers must

put forward an international strategy of their own. The thousands of CNH workers across the globe must be seen as allies in this fight. As such, rank-and-file committees should initiate contacts not only with workers at non-union CNH plants in the United States, but at the company's factories internationally, in order to prepare a counteroffensive for higher wages and decent working conditions.

*To join the CNH Workers Rank-and-File Committee, email [cnhrfc@gmail.com](mailto:cnhrfc@gmail.com), or text (262) 676-2381. To talk to some at the WSWS about joining or forming a committee at another workplace, fill out the form below:*



To contact the WSWS and the  
Socialist Equality Party visit:

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