

Company announces agreement on six-year contract

Deere workers face fight against UAW and farm equipment giant

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Farm and construction equipment maker John Deere announced that it had reached an agreement on a six-year labor contract with the United Auto Workers early this morning, just over one hour after the previous agreement expired at 12:01 am.

The UAW will hold a vote on Sunday, giving workers as little time as possible to study the deal. The union said no details will be released to the public, but that workers will be given some information before the vote.

The contract covers 10,000 workers in Iowa, Illinois and Kansas who were left in the dark by the UAW as the deadline passed.

Workers who spoke with the *World Socialist Web Site* yesterday denounced the media gag by the UAW and expressed growing hostility both towards the company and the union. As it did with the run up to the expiration of the contract with Fiat Chrysler, the UAW has gone to extreme lengths to maintain an unprecedented secrecy over contract negotiations. In contrast to the 2009 talks, the UAW has not even reported that Deere workers voted to authorize strike action.

The WSWS, however, confirmed that workers overwhelmingly voted for strike authorization in August at all plants, with one worker reporting his local voted by 98 percent. Many workers were unaware of the widespread approval of the strike authorization by other locals, with one worker commenting, “Everyone is so tight-lipped. There’s been no word.”

Without any official information, workers have been confronted with a dizzying amount of rumors and other unconfirmed information. However, multiple workers told the WSWS the UAW plans on having a “big meeting” on Sunday where workers are expected to vote on the ratification of a new contract, even before one had been announced.

It is likely the UAW will now rush through a sellout by giving workers only the “highlights.”

The UAW’s negotiator with Deere is Norwood Jewell, the chief architect of the sellout agreement that Fiat Chrysler workers have overwhelmingly rejected. The main concern of the UAW is to block a strike by Deere workers, which could rapidly develop into a joint struggle with autoworkers against the companies and the UAW itself.

Many of the devastating conditions in the auto industry, including two-tier wages, were first imposed on farm equipment workers by the UAW. After enduring almost 20 years of the hated two-tier system and stagnant wages, workers want to fight but they cannot do so through the UAW, which functions as management’s enforcer of wage and benefit cutting, speedup and job destruction.

UAW President Dennis Williams also comes from the union’s agricultural implement division, having started at JL Case in Rock Island, Illinois, near Deere’s world headquarters in Moline and its major industrial facilities across the Mississippi River in Davenport, Iowa. Last year Williams boasted that he “had a lot of faith in John Deere and our relationship...I’m not afraid of confrontation, but I prefer the other way. We’re a lot different today.”

Expressing his hostility towards the UAW’s silence, a worker from Iowa told the WSWS, “They don’t care about you. Why can’t I see the contract now? They know what’s in it. Why can’t I review it now? What are they hiding? They’re just like Hillary Clinton. I feel like I’m getting sold out.”

Commenting on the two-tier system and the difference between first tier workers (known as “Legacy Workers” or “pre-97”) and lower paid second tier workers, a worker wrote to the WSWS, “Anyone after that contract is a post

1997 employee. Our numbers are a little more dramatic as we have approximately 90-95 percent of our workforce that are post 97 with no insurance when they retire and less pension. If I were to die today my family is off insurance tomorrow and that has been that way since 97. Someone can have 18 years with the company and that's how Deere treats us."

Expressing the widespread discontent and growing militancy of Deere workers, he said, "Nobody even talked about 'bridging the gap' until this year. I believe the rank and file is restless at least the Facebook sites would indicate enough is enough. They had over five years of record profits, quarter after quarter. If the new offer requires we take any concessions or pay for insurance I look for it to get voted down overwhelmingly."

Another worker told the WSWS, "The last year and half I was at Waterloo the morale was really bad and nobody knew who to trust. I know of a lot of workers are mad and they're ready for a change."

Writing to the WSWS, another worker commented, "We took a strike vote weeks ago. We were given our strike duties a week or two ago... Everyone is on edge here. People all assume that things are going to follow in the same suit as the other plants UAW has already 'taken care of'..."

"They laid off production in multiple facilities after first shift today. They are ready for us to strike here. Security is tight. They are even taking away people's radios before they leave today as well. Rumors are flooding in RIGHT NOW that they are announcing a BS agreement, so we won't strike. As if it were really going to happen anyway... We haven't heard officially if the contract agreement has been reached. Just sitting here, being tortured by rumors and lack of information. Once the agreement is announced I will know that as skilled trades, I will be expected to work 16 more hours in this place with this BS looming over all of our heads... I think they will let it expire, and let us strike to make us think the union has our back only to bring some rotten contract on Sunday..."

Deere recently reported declining profits amid falling grain prices and with farm income expecting to drop to a nine-year low. In January, the Moline-based company announced layoffs of 900 workers, nearly 10 percent of its UAW-represented workforce. This was the third round of job cuts in five months and came after nearly 500 workers were laid off at the Waterloo Works.

Commenting in the *Des Moines Register*, Kwame Webb, an equity analyst for Morningstar, stated, "I would

say Deere has the upper hand on bargaining right now, just from the standpoint that they are really over-inventoried right now. If there was a strike, I'd be surprised to see them rushing to get people back to the production lines."

The local eastern Iowa news station KWWL wrote, "Deere has not had the year they've hoped for. Experts say because of low grain prices, farmers have been cutting back on buying large farm equipment—the lifeblood of Deere. 'A lot of farmers are finding themselves cash constrained, they're more willing to let their equipment age because it's relatively new,' said labor economist Peter Orazem. That doesn't bode well for Deere, but a new deal with union workers must be made."

Responding in kind, a worker on Facebook wrote, "KWWL tonight portrayed John Deere as a struggling company. Why don't they check some facts and not just report their bull."

"The facts are quite different than the garbage they spew! Fact 1: Profits this year will be \$1.8 billion. Fact 2: This year's profits will be more than double their profits in 2009! Fact 3: John Deere invested \$5 billion in stock repurchase. Meaning they purchased \$5 billion of their own stock so they could raise dividends to the stockholders. They raised those dividends 114%! Fact 4: they give the upper management millions in dollars of free stock every year!

"The question I have to ask is why would a company that was struggling do all these things? They wouldn't! Two years ago they hit their high mark raking in \$3.5 billion profit. Yes, corn prices are down; yes, profits are not going to break the all-time record this year. Is John Deere struggling? Hell no! Just stating the facts folks even though KWWL won't!"



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