

Strike by Deere workers challenges decades of union-backed concessions, sparking fears on Wall Street

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The walkout by more than 10,000 John Deere workers in Illinois, Iowa and other states begins a new week today amid increasing statements of concern in corporate and political circles that the unions will be unable to contain the growing strike wave by workers demanding a reversal of decades of union-backed concessions.

Deere workers struck on October 14 after a near unanimous vote to reject a contract brought back by the UAW, which included a de facto cut in real wages, the elimination of pensions for new hires and the continuation of health care and other concessions accepted by the UAW in earlier contracts.

In a recently published article on the investor information web site Seeking Alpha, financial analyst Harrison Schwartz notes that the company's stock price has doubled since 2019 and its profit margins have hit a record level of 13 percent. The sharp rise in the prices of corn, soy and other agricultural commodities has fueled a spike in demand for new farm machinery, but all of this is threatened by the strike, Schwartz warns.

After acknowledging that "Deere has the resources to increase employee pay and benefits," he expresses the hope, albeit without much confidence, that the UAW will be able to end the strike quickly and push through a deal with minimal impact on the company's bottom line. "It is entirely possible, if not likely, that John Deere's employees will accept a deal before too long. However, considering 90% voted against the previous offer, workers are emboldened to gain significant demands."

Harrison warns that the growing militancy of workers, expressed in the biggest strike wave in generations, threatens the regime of low wages and high productivity that Wall Street has enjoyed for decades. Pointing to the labor shortages and to the millions of workers quitting low-paying jobs, he says, "the current economic

environment has placed the ball back in laborer's court. Put simply, the blue-collar workers around the United States have the capacity to demand higher wages, a fact which will likely cause sharp margin reversals for many firms. This is a stark difference from the environment that has reigned since the 1960s, which, empirically speaking, caused revenues to flow away from workers toward capital (i.e., investors). Investors should note this change to avoid exposing themselves to blue-collar-dependent firms (particularly manufacturing), which the shift will likely hit the hardest."

Deere management is determined to prevent such a reversal in fortunes. Sitting on Deere's corporate board are high-profile figures associated with some of the biggest corporate and financial institutions in the world, including agribusiness giant Cargill, Cascade Assessment Management, which oversees the investment of billionaires Bill and Melinda Gates, General Electric Asset Management, Dupont and Verizon.

The UAW is no less determined to prevent a victory by Deere workers, fearing it would trigger an uncontrollable rebellion by autoworkers and other workers who have suffered from the decades of concessions the UAW imposed in exchange for the millions in company bribes its top officials pocketed. That is why the UAW is doing everything it can to isolate the strike and undermine the powerful position of Deere workers.

The UAW has kept 3,500 workers at Dana—a key supplier to the auto industry and to Deere—on the job more than six weeks after they rejected a pro-company contract brought back by the UAW and the United Steelworkers by over 90 percent. The union is now floating information about an impending deal, which will be no different from the first, which contained below-inflation-rate wage increases and gave the company a free hand to continue

unbearable amounts of forced overtime.

Last week, the UAW released a statement, saying, “UAW John Deere members struck at midnight October 14, after the company failed to present an agreement that met our members’ demands and needs,” without acknowledging that UAW President Ray Curry and Vice President Chuck Browning tried to ram through the rotten deal with lies about the six-year contract containing “significant gains for workers.”

Now, according to local UAW officials, “talks” with the company are supposed to resume on Monday. Once again, the UAW is keeping workers completely in the dark about the content of the meetings. This is because they are not negotiations between two antagonistic parties but a strategy session to discuss how to beat down the resistance of workers before trying to push through another pro-company contract.

One Deere worker from East Moline, Illinois told the WSWS, “I haven’t heard a thing. Rumor is that they haven’t been back to the table since we went on strike. Most of our updates are coming from TV and social media.” Another worker said, “Only thing I know is they are supposed to go back to the table on Monday.” The workers who spoke with the WSWS said the union had not even gone through the motions of “surveying” workers on what contract improvements they wanted, a ploy in earlier strikes to pretend that the UAW was “bargaining hard” even as it completely ignored workers’ demands.

Earlier this year, nearly 3,000 Volvo Trucks workers in Virginia rebelled against the UAW and rejected three union-backed concessionary contracts, the first two by over 90 percent. The union did everything to isolate their five-week strike and put workers on starvation rations of \$275 a week in strike benefits even though the strike fund, paid for by workers’ dues, is valued at \$790 million. Then the UAW forced a revote on the same contract workers rejected and claimed it passed by 17 votes.

The courageous struggle against the company and the UAW by the Volvo workers, which is continuing to this day, was only a prelude for the battle at Deere. The Virginia workers were only able to sustain their months-long struggle by forming the Volvo Workers Rank-and-File Committee, which operated completely independently of and in opposition to the UAW and consistently countered the efforts by Curry & Co. to sabotage the strike and starve them into submission. The rank-and-file committee established direct lines of communication with autoworkers in Detroit and with

Volvo workers in Belgium and other countries.

The recently formed John Deere Workers Rank-and-File Committee is leading the fight to unify all Deere workers, demand full income from the strike fund, and call for joint strike action with Dana workers and common struggle with autoworkers and Deere workers throughout the company’s international operations.

Deere employs nearly 70,000 workers worldwide at 102 operations, including agricultural, construction and forestry manufacturing plants, distribution centers and research and development facilities in France, Germany, China, India and Brazil.

In a transparent effort to give itself a cover, the UAW International posted a video on its web site Saturday of officials from the metal workers union at a Deere factory in Catalão, Brazil sending greetings to striking workers in the US. But these are not the workers of Brazil—who are the natural allies of striking workers in the US—but union bureaucrats who are hated by Brazilian workers just as much as American workers hate the UAW. GM workers in the Brazilian city of São Caetano do Sul, in São Paulo’s ABC industrial region, are currently waging a strike in defiance of the metal workers union, which has done everything to sabotage their struggle against GM’s cuts in workers’ income and benefits.

To fight a transnational giant like Deere, workers need real international unity and a coordination of their struggles across national boundaries.

Workers have taken a decisive step by forming the John Deere Workers Rank-and-File Committee. Now this committee must be expanded to bring in workers from every Deere plant and warehouse to break the isolation of the struggle by the UAW and fight for demands that meet the needs of the workers, not what the UAW and management say is acceptable. A direct appeal should be made to Dana workers to conduct joint strike action, and to autoworkers, Caterpillar, Volvo and other workers in the US, and Deere workers around the world, to join in a common struggle.



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