

The 1986–1987 Deere strike and lockout: Lessons from an earlier UAW betrayal

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As workers at John Deere plants in five states prepare to vote again on a sellout deal brought back by the United Auto Workers, they would do well to recall the lessons of the 1986–87 Deere strike-turned-lockout, which at 163 days was the longest in the history of the company.

The bitter struggle over nearly six months revealed on the one hand the enormous determination of workers to fight and defend the hard-won gains of past struggles, and on the other hand, the treachery of the UAW, which did everything possible to isolate and ultimately betray the workers.

The immediate cause of the walkout was the refusal of Deere management to accept a pattern agreement negotiated at heavy equipment company Caterpillar. That agreement itself was highly regressive, including a freeze on wages and a sharp reduction in the number of job classifications.

The UAW said it had “won” a financial commitment from Caterpillar of \$21.3 million, which was aptly characterized as “very small potatoes” by a labor relations specialist at the time.

The money was to be paid to workers in a “Protected Employee Group” if layoffs exceeded 10 percent of a given plant. However, the company’s liability ended if the money ran out, and there were additional “loopholes large enough to drive a 102-ton Caterpillar D11N crawler tractor through,” the *Chicago Tribune* wrote. It also established a job retraining program for laid-off workers, funded through the diversion of a portion of workers’ own cost-of-living pay increases.

As one financial analyst summed up the terms signed by the UAW, “Caterpillar got a terrific labor settlement.”

UAW calls “selective” strike at Deere

The contract for 14,000 Deere workers in six states expired June 27 after a four-week extension granted by the UAW. When Deere refused to agree to even the miserable terms of the Caterpillar agreement, the UAW called a partial strike on August 22 at the Milan, Illinois, part distribution center, and the Dubuque and Waterloo, Iowa, plants.

The company, taking the measure of the UAW’s unwillingness to conduct a serious fight, responded aggressively, locking out all production workers and workers at an engineering facility.

The UAW would force workers at five parts depots to remain on the job under terms of a separate agreement, undermining the strike, even though the master agreement at those facilities also expired August 22. Further, the UAW did nothing to mobilize broader support for Deere workers, including linking the struggle with locked-out USX steelworkers.

On the part of Deere, the lockout was a way of reducing overstocked inventories and slashing costs under conditions of a continuing slump in the sales of agricultural equipment brought about by the farm crisis.

The “Volcker Shock” and the 1980s farm crisis

Federal Reserve Chair Paul Volcker, appointed by Democratic President Jimmy Carter and kept on by Reagan, ratcheted up interest rates to sky-high levels following his appointment in 1979. By December 1980, the Fed’s base rate was raised to a record 21.5 percent.

The tight money policies were deliberately aimed at wiping out large swathes of “excess” production capacity, entailing a historic wave of plant closings and mass job cuts, and at lowering the living standard of the working class.

High interest rates simultaneously had a devastating impact on farm production. Farm debt doubled between 1978 and 1984. On top of this, the Carter administration’s embargo on grain shipments to the Soviet Union in 1980 had resulted in a fall in agricultural prices and pushed many farmers to the brink. Later, Reagan administration cutbacks in federal price supports to agriculture increased the pressure on farmers.

By 1986, farm equipment sales had fallen to about half of 1979’s record of \$11 billion. “In magnitude and steepness, the decline of the farm equipment industry is the sharpest it’s been since the 1930’s,” Deere’s chief economist told the *New York Times* in late 1984.

Areas which were centers of farm equipment production were economically and socially gutted, particularly the Quad Cities, the metropolitan region straddling the Mississippi River on the border of Iowa and Illinois, where Deere is headquartered. Manufacturing jobs in the Quad Cities fell nearly 30 percent in five years, with International Harvester, J.I. Case and Caterpillar all shuttering plants, with knock-on effects among countless suppliers in the area.

“Here we pay our dues to them and not one has shown his head around here”

Deere management continued partial operations during the strike using supervisors and salaried personnel, while the UAW made no effort to halt production.

The UAW’s attempts to hamstring the struggle generated significant opposition among workers. Strikers interviewed by the *Bulletin* newspaper, a forerunner of the *World Socialist Web Site*, denounced the information blackout imposed by union officials and the limits they enforced on the strike.

One worker in Waterloo said, “I completely disagree with [UAW Local 838 President] Don Page calling for a selective strike. All that happened was the company answered with a lockout. Now we can’t even stop supervisors or office personnel from scabbing to get the chassis finished. We can’t even blockade the gates to keep them from going in. He’s

completely tied our hands.”

A striking foundry worker told the *Bulletin*, “I’m not only mad at Page for bungling our strike by just restricting it to the foundry. I’m sore at the UAW International leaders.

“Here we pay our dues to them and not one has shown his head around here. We don’t know what’s going on. None of the picket captains know either and Page isn’t talking, so we don’t know if he knows anything more than we do. We’re all in the dark. It’s a helluva way to lead a strike.”

Meanwhile, the Iowa Department of Employment, as well as those of Illinois and Indiana, declared that locked-out Deere workers were ineligible for unemployment benefits. The UAW, despite sitting on a massive fund, doled out completely inadequate strike checks. According to one report, workers lost around \$10,000 (equivalent to \$22,800 in 2020) in foregone wages during the strike.

In an indication of the steep decline in workers’ real income from decades of wage cuts and freezes, the average wage at Deere in 1986 was \$14.85 per hour, according to a contemporaneous report in the *New York Times*, worth the equivalent of \$37.48 in 2021 dollars.

By contrast, under the most recent UAW-Deere contract proposal this year, an assembly worker working at the regular, non-CIPP incentive pay rate would be making only a little over \$26 an hour in 2022—more than \$10 less than the 1986 amount in real terms.

The end of the lockout

Contract talks resumed in November, but soon broke off again. On January 26, 1987, a state court ordered the resumption of negotiations between the UAW and Deere. The next day, a tentative agreement was announced.

The terms forced though by the UAW were a complete betrayal. The contract included a pay freeze, a reduction in cost-of-living adjustments and the elimination of numerous job classifications.

The “job guarantees” touted by the UAW were extremely limited. While the contract passed by a reported 84 percent margin, UAW Locals 434 and 1710 in Moline and Milan, Illinois, rejected the deal on the grounds that the job protections were insufficient and would allow for the slow attrition of employment. Deere committed only a token \$14.4 million, even less than Caterpillar, to ensure employment for at least 90 percent of those working at Deere plants. Layoffs of more than 10 percent of the workforce would not be allowed, but only until that money ran out.

Meanwhile, Deere spokesman Rob Shoup stated the company was “very pleased” with the agreement. Workers began returning to work February 2, 1987.

Historical background: The beginning of a decades-long ruling class offensive

The 1986–87 struggle at Deere took place in the midst of an overall assault by employers aimed at rolling back decades of gains won by workers.

Facing increased competition from overseas rivals, US corporations in the late 1970s, backed by both the Democrats and Republicans, shifted to a policy of confrontation with the American working class. Interest rates were driven up to record levels, forcing the wholesale closure of less profitable industries and mass layoffs.

Meanwhile, access to cheap labor platforms in other countries—as well as the development of computers and digital communications—allowed companies the option of shifting production from less profitable US factories. These measures were also aimed at undermining the militancy of the working class by creating mass unemployment.

The firing by Reagan in 1981 of the PATCO air traffic controllers and the refusal of the AFL-CIO to mount any serious defense of the small professional union opened the floodgates to employer demands for wage cuts and the destruction of jobs and working conditions. Throughout the 1980s a series of prolonged, militant strikes were conducted by workers. A partial list includes Phelps Dodge copper miners, Greyhound bus drivers, USX and Wheeling Pittsburgh steelworkers, Caterpillar workers, Hormel meatpackers, A.T. Massey coal miners and Eastern Airline pilots.

The unions responded to the employer offensive by dropping any opposition to management and offering their services in cutting costs. They had no progressive answer to the changes in the structure of capitalism, in particular the increasing globalization of production and adoption of computer technologies.

Based on their nationalist and pro-capitalist program, the unions embraced union-management collaboration. This entailed the increasing integration of the unions into the structures of management through the creation of “joint” committees at every level. In many cases union officials took on the role of junior supervisors, or even company directors, as in the case of UAW President Douglas Fraser, who joined the board of Chrysler from 1980 to 1984 and oversaw the first major concessions contract for workers at the company.

The unions justified their treachery by scapegoating workers overseas and whipping up chauvinist hatred of Japanese and other foreign workers, loudly proclaiming the need to support “our” American corporate bosses and ensure they stayed “competitive.”

In 1983 a split took place in the UAW, with the Canadian region, based on its own nationalist perspective, breaking away to form the Canadian Auto Workers union. The split strengthened the hands of the auto companies by allowing them to pit US and Canadian workers against each other.

The transformed role of the unions was spelled out in 1984 when the United Auto Workers formally adopted the program of corporatism, the unlimited collaboration of the union with management in the name of boosting profits, whatever the cost to the workers. This was quickly followed by the establishment of joint training programs, which became the vehicles for the direct infusion of hundreds of millions, if not billions, of dollars in cash from the auto companies into union coffers.

The employer offensive against the working class escalated again in 1986 with the mobilization of strikebreakers, backed by the Minnesota National Guard sent by Democratic Governor Rudy Perpich, against striking meatpackers, members of United Food and Commercial Workers Local P9 in Austin, Minnesota. When Hormel workers continued to resist massive concessions, in opposition to the demands of the international union that workers capitulate, UFCW President William Wynn put the local into trusteeship. He then removed the elected leadership, called off the strike and recruited the strikebreakers into the reorganized local.

The same month that Deere workers struck, USX Steel locked out 42,000 steelworkers in five states as well as iron ore miners in Minnesota. Among management demands were a \$3.50 per hour pay cut, 10–12 hour workdays and work rule changes that would result in the mass elimination of jobs. The AFL-CIO executive council, meeting in Chicago in early August as the strike got underway, adjourned without offering any assistance to the steelworkers. Democratic mayors in Chicago and Gary, Indiana, organized police detachments to escort scabs into the mills and protect USX operations.

The UAW's transformation into an arm of management

The 1987 contract set the stage for decades of concessionary agreements, both at Deere as well as Caterpillar, where the UAW would carry out repeated betrayals of strikes during the 1990s. Further past gains were sacrificed, even as the profits of Deere and other US corporations soared. In the late 1990s, the tier system would be enacted with the support of the UAW at both Deere and then Caterpillar, dramatically slashing the pay and benefits of the next generation of workers, a savage assault which would later be expanded throughout the parts and auto industries in the following decade.

While the UAW saw its membership decline by over 1 million since 1980, it has maintained over \$1 billion in assets, ever-more heavily invested in the stock market, while the income and privileges of its hundreds of bureaucrats and executives swelled. And as would subsequently be revealed, a significant proportion of its top echelons would either be found to be embezzling workers' dues or accepting bribes from the companies, including former UAW Vice President Norwood Jewell, who led the negotiations for the 2015 Deere contract.

As the UAW grew ever more integrated into management, it increasingly suppressed strikes, blocking workers from conducting a fight against concessions. While walkouts used to be frequent occurrences in the agricultural and heavy equipment industries—nearly every three-year contract—almost 35 years passed between the 1986 Deere strike and the one today. In the meantime, the union bureaucracy would increasingly use strike assets built up with workers' dues as a slush fund to maintain their upper-middle class lifestyles.

In comments revealing the increasingly incestuous relationship between the union and management, James Hecker, a lead UAW negotiator during the 86–87 strike-lockout, would later tell the *Moline Dispatch*, “We both (the UAW and Deere) really decided we needed to have a more collaborative than adversarial relationship—that sort of mindset. Over time, it became more collaborative.”

The situation today

Unlike 1986, the present strike by Deere workers takes place in the context of a rising tide of class struggle.

The period in which the unions could suppress the resistance of workers, opening up with the smashing of the PATCO air traffic controllers strike 40 years ago, has come to an end, as shown by the growing rebellion of workers against union-backed concessions contracts this year, heralded by the courageous strike and defiance of the UAW by Volvo Trucks workers in Virginia in the spring and summer.

Deere is reaping record profits, based on the extreme levels of exploitation the UAW has enabled it to enact. At the same time, striking workers find themselves in a potentially powerful position, with an ongoing labor and parts shortage and Deere struggling heavily to fulfill orders.

Workers must draw the necessary conclusions from the 1980s and after, and not allow their fight to be undermined and betrayed once again by the pro-corporate UAW, which long ago completed its transformation into an out-and-out tool of management.

In the current strike, workers have taken the critically important first steps, organizing the John Deere Workers Rank-and-File Committee, which has played a central role in solidifying the opposition to the joint attacks of Deere and the UAW. The committee has sought to break through the union's information blockade and isolation of the strike,

exposing the company's and UAW's lies. At the same time, it has fought to articulate the needs of all workers, while elaborating a strategy to mobilize workers' international strength and appealing to Deere workers in other countries for support.

In order to consolidate the unity of workers, work out the most farsighted perspective, and build a new leadership, it is essential that Deere workers assimilate the lessons of their past struggles.



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