Caterpillar contract ratified

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United Auto Workers members at Caterpillar narrowly approved a new six-year contract on March 22. It was the second vote organized by the UAW. A month ago the workers defied the recommendation of the union and voted down essentially the same contract by a 58 percent margin. The agreement grants the heavy equipment maker all of the major provisions it has been insisting on for the past seven years to reduce employment and lower labor costs.

The only significant change in the new version of the contract was the company's agreement to rehire 50 workers fired for strike-related activities. In the voting last month, Caterpillar workers were particularly incensed over the company's refusal to hire back these workers, and the UAW's willingness to leave their fate in the hands of an arbitrator.

To strengthen their hand in pushing through the amended contract, UAW officials restricted voting to the locals that had rejected it last month. Union officials campaigned for the pact on television call-in shows broadcast in Peoria and Decatur, Illinois. Despite these heavy-handed efforts, 46 percent of the workers who voted rejected the contract.

The contract abandons the tradition of a three-year agreement. It is a six-year contract, giving Caterpillar all the time it needs to restructure its operations to the detriment of jobs and working conditions.

At a time when nonunion employers are granting wage increases of 5 to 10 percent and higher because of the tight labor market and the scarcity of skilled labor, the UAW has accepted an agreement that provides only one increase in base pay, ranging from 2 to 4 percent, accompanied by three lump sum bonuses. The result will be a significant decline in the buying power of Caterpillar workers' take-home pay.

New-hires will be paid 70 percent of current wages and will have to work six years before coming up to standard wage levels. "Competitive Wage" workers, i.e., employees in Caterpillar's parts division who are already paid substandard wages, will not receive the wage hikes mandated for the rest of the work force. The company will be permitted to employ part-time and temporary workers—up to 15 percent—in its parts and service units.

Management was granted the right to introduce "flex-time" scheduling. Workers will no longer be paid overtime for working longer than an eight-hour day or on weekends, but only after working more than 40 hours in a work week. This will lead to the introduction of various swing shifts, 10-, 11-, and 12-hour days, and the loss of thousands of dollars per worker in overtime pay.

The contract introduces insurance copayments for retirees, a measure which will save the company millions while imperiling the health care of the largely older work force.

For six and half years the 13,000 Caterpillar workers in Illinois, Pennsylvania, Colorado and Tennessee had been without a contract. Many hundreds lost their jobs. Families suffered terrible economic hardship and many marriages were destroyed as a result of the economic and psychological pressure from two long and bitter strikes, in 1991-92 and 1994-95, both of which were isolated and betrayed by the UAW officials. Those who returned to the job after the UAW called off the second strike faced daily management harassment and arbitrary discipline.

What was the net result of this protracted struggle? The company got the contract it wanted and the union achieved its basic goal of remaining the bargaining agent and restoring its dues revenues.

From the beginning one thing has been consistent in the tactics of the UAW: No action was allowed that the union officials believed might irreparably undermine their own privileged position. They took great care from beginning to end to protect their corporatist relations with the Big Three auto companies and their ties to the Democratic Party.

Even after it called the two strikes against Caterpillar, the UAW refused to make them companywide walkouts. It allowed Caterpillar to maintain production at key plants, thereby helping the company record profits in 14 of the past 16 quarters.

One codicil of the new agreement highlights how the UAW officials negotiated to defend their own narrow interests. Caterpillar dropped a Supreme Court case challenging the long-standing practice whereby companies pay the salaries of full-time union officials. Lawyers for Caterpillar had argued that paying union officials' salaries undermined the independence of the union from the company and created a conflict of interest. If Caterpillar had prevailed in court, a precedent would have been established to force not only the UAW, but all unions, either to pay out large sums in union officials' salaries, or eliminate full-time positions.

Under the new contract the company will reportedly no longer pay the salaries of full-time UAW officials. Instead it will pay only for those parts of the workday when officials are pursuing union business.