

Boeing machinists ratify contract

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Boeing machinists voted Saturday to end their eight-week strike against the giant airplane manufacturer. Workers in Washington, Oregon and Kansas voted by a 74 percent margin to return to work.

More than 27,000 machinists waged the 57-day strike—the third longest against Boeing—to oppose attacks on health insurance and retiree medical benefits, prevent the imposition of higher costs for healthcare, and improve their pension fund and wages. The central issue in the strike was the outsourcing of machinists' jobs to nonunion companies.

In unanimously endorsing the proposed contract, the International Association of Machinists and Aerospace Workers (IAM) stated that it will "provide job security for its members." The contract does nothing of the kind.

In reality, the agreement allows Boeing to continue the destruction of jobs at its facilities by farming out work to low-wage vendors. These outside vendors will continue to have access to the plant—albeit no longer directly to the assembly line. The union won the right to bid only on work that Boeing proposes to outsource to nonunion contractors.

The union web site acknowledges that the IAM leadership agreed to "work rule changes designed to improve productivity." This improved productivity will undoubtedly result in the loss of many Boeing workers' jobs.

A key point in the dispute was the role of New Breed Logistics, a nonunion company based in North Carolina, contracted by Boeing to produce components for the airplane maker's new 787 Dreamliner aircraft. In 2002, the union caved in to company demands to allow vendors such as New Breed to deliver parts directly to Boeing's jet assembly lines, threatening the jobs of some 2,000 IAM members who receive parts or tools and deliver them to the factory floor for assembly.

When the union called for a rejection of the company's last offer in September, it demanded that the 2002 concession be reversed so that only union members could

handle components from outside vendors. The new agreement now accepts a provision allowing Boeing to expand the delivery of components to its plants by outside vendors such as New Breed.

Boeing President and CEO Scott Carson praised the agreement, commenting, "The new contract addresses the union's job security issues while enabling Boeing to retain the flexibility needed to run the business." This willingness on the part of the union to provide flexibility is reflected in the signing of a four-year contract as opposed to the former three-year pact. This added year will allow Boeing to develop the 787, which they anticipate will get under full production in 2010. The pact provides a 15 percent wage increase, as opposed to the 11 percent originally offered.

Upon reading the contract, many workers were upset to learn that the union had formalized a previously unknown "handshake agreement" to allow the offloading or subcontracting of less than 10 machinists' jobs without union review.

Many machinists viewed the contract offer as the same or worse than what had been rejected by an 87 percent margin on September 3. Rick Johnson, an Everett, Washington, machinist, e-mailed the *World Socialist Web Site* his reaction:

"As I suspected, our union is, in my opinion, corrupt. The strike's true reasons for happening may not ever be known. But being a 30-year worker at Boeing I know it 'goes with the territory.' We ended up with basically the same 'deal' that we went on 'strike' for. But I had saved for it and worked a lot of overtime in preparation. So although the break was needed and enjoyed, the \$20,000 I lost in no pay for two months was not, nor will ever, be replaced.

"In regards to the union and how my co-workers feel, that's easy to sum up in two words: sold out.... Kinda humorous though, Boeing was supposedly losing \$100 million a day, but they didn't care too much because the airplane orders would be filled eventually, so they would get their money eventually...until the world market

tanked, then they realized possibly those orders would be lost by failing world markets. Boy, once they figured that out, talks resumed, contract reached, and voted and passed. All in a couple of days."

This sentiment was expressed again and again by machinists in the readers' comment sections of the local press. One writer to the *HeraldNet*, calling himself Joe Member, addressed the union negotiators: "But you did get us \$1,500 in years 2 & 3, Good Deal, but you gave back the incentive pay that returns \$3,100 every year to all other pay codes, looks to me as a net loss of \$1,600 a year.... You guys are sharper than bowling balls."

IAM moved to reach an agreement and betray the strike at a point when Boeing—which earned a record \$4.07 billion profit last year—was experiencing the full economic impact of the walkout. In October, Boeing had reported a severe drop of 38 percent in its third-quarter earnings over that of a year ago.

Financial analysts estimated that the company was losing more than \$100 million every day of the strike and had lost \$2 billion in profits over the course of the strike. Its stock price had dropped into the low \$40s from a high of \$107. Boeing has a backlog of more than 3,500 orders worth a record \$349 billion. Production of Boeing's newest aircraft, the 787 Dreamliner, already delayed three times, had been further delayed as a result of the strike.

Additionally, the union leadership was anxious to wrap up the strike as quickly as possible before the November 4 presidential election, so as not to detract attention from the bureaucracy's support for the campaign of Democratic presidential candidate Barack Obama.

The deal imposed on the membership represents a betrayal of the interests of union members, threatens job security and incorporates the majority of Boeing's original demands.



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