

IAM reaches sellout deal in Illinois Caterpillar strike

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The International Association of Machinists announced Wednesday that it had reached a tentative agreement with heavy equipment manufacturer Caterpillar to end a 15-week walkout by 780 workers at the company's hydraulics plant in Joliet, Illinois. Striking workers will vote on the deal Friday.

The IAM reached the agreement with the collaboration of a federal mediator and highly publicized visits shortly thereafter to the picket line by Illinois Democrats, including Governor Pat Quinn and US Senator Dick Durbin. It is clear the Obama administration wanted the union to wrap up the strike, which has been an implicit challenge to the White House's strategy of slashing wages, begun with the restructuring of the auto industry, to boost the profits of US manufacturers.

The strike in Joliet has been a test case of the "new normal," in which corporations demand sweeping concessions from workers even if they are highly profitable. Caterpillar recently posted record profits of \$1.7 billion for the second quarter, a 67 percent increase of the previous year. CEO Douglas Oberhelman took in \$16.9 million in 2011, a 60 percent increase from the year before. Other companies are eager to follow suit with demands for ruthless wage and benefit cuts.

Caterpillar refrained from official comment on the contract, but reports indicate that it includes a 6-year pay freeze for those hired before 2005, while lower-tier workers, making as low as \$12 an hour, will only receive a one-year 3 percent raise over the six years. In addition, the workforce will see a steep increase in health care costs and the replacement of guaranteed company paid pension plans with 401(K)s.

The contract will also reportedly allow managers to assign new shifts or jobs to workers regardless of

seniority for "only" 90 days – meaning workers with decades of experience could potentially be forced back to a night shift, for example. Machinists indicate that prior to the strike they faced long hours and nearly mandatory weekend overtime, leaving them little time with their families. The ultimate aim of the company, with the aid of the union, is to drive out older, higher paid workers so they can be replaced with workers making poverty wages.

In total, the tentative agreement is similar to one overwhelmingly voted down by rank-and-file workers in late May, less than month after the strike began. So widespread is the hostility to the company's demands that the local leadership in IAM Lodge 851 has had to call for a 'no' vote even though they have brought the sellout agreement before the membership. Lodge Local Lodge 851 President Tim O'Brien told the *New York Times* that the deal had not been negotiated by the local, but by IAM district officials who had given up too easily and did not want to keep paying \$100,000 a week in strike pay.

Steve Jones, a top official in Machinists District 8 in Burr Ridge, Illinois, defended the deal declaring that it "does not address every issue for every member, but it deserves to be brought to the membership for a vote." Referring to potential opposition, he stated "we've got some local people playing politics with people's livelihoods. If there was a better agreement out there to be had, we would have taken it."

As "Assistant Director of Business Representation" Jones took in \$149,110 in salary and disbursement in 2011, according to the union's filing with the US Department of Labor. This is nearly 1,000 times greater than the \$150 weekly strike pay workers have received for four months, an amount that has left many facing unpaid bills and even foreclosure. This pressure is no

doubt a major reason that over 100 machinists have crossed the picket line and returned to work.

From the beginning of the strike, the IAM has deliberately isolated the struggle even though the company is preparing to impose similar attacks on workers throughout the US and internationally. Meanwhile, the United Auto Workers (UAW), which last summer imposed a similar concessions contract on its 13,000 workers at CAT plants in the Illinois cities of Peoria, Decatur and Aurora ordered its members to continue working and handling scab parts produced at the Joliet facility.

CAT workers have not fought this long in order to accept this sellout agreement. Workers should reject the deal but the struggle must be taken out of the hands of the IAM and conducted on the basis of an entirely new strategy. This requires the formation of rank-and-file committees, independent of the unions, to fight for the full industrial and political mobilization of all Caterpillar workers.

Scott, a worker at the plant, said, “They haven’t told us much about the deal but I am sure it’s the same contract we got from day one. They weren’t going to change a thing—it was take it or leave it.

“The last couple of months the company wasn’t even going to the table. The company brought in replacements and trained them to take over our jobs. The strike is not hurting the company anymore, it’s just hurting us. A lot of workers have lost faith in the union. The other unions, like the UAW, have already accepted concessions and the company feels it has a blank check.

“It’s ridiculous that CAT is making record profits. It’s absolute corporate greed. It’s all for the top one percent. You’ll see what the CEO is going to make after doing this to us. For us, it’s nothing but pay cuts even as the cost of living keeps going up.

“There should be a blanket fight by all workers. What is happening here is going to branch out of Caterpillar. It’s the new normal. You don’t pay workers the top dollar any more—you get a third of the pay.

“It’s not just the corporations—it’s the politicians too. This guy Ryan is scary. They say Obama and the Democrats are the lesser evils, but they are still evil. All of them want to make you work until you die.

“CAT wants to push everyone onto a 401 (K) pension plan and make you invest your savings instead of giving you guaranteed retirement benefits. I don’t

agree with that. I don’t want to be a gambler.

“CAT is not a small company. It’s in virtually every state and all over the world. If you’re going to battle this company, you have to unite all the workers. But the unions are all different and the workers are divided up. And the union officials they are in a different category too. They’re reaping high salaries and benefits, while we’re losing everything.”



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