Betrayal at Caterpillar

Andre Damon
22 August 2012

Last Friday, after a bitter three-and-a-half month strike, 780 workers at Caterpillar's Joliet, Illinois plant voted by a narrow margin to accept a brutal concessions contract pushed through by the International Association of Machinists (IAM). With nearly 40 percent of the workers abstaining, the vote was an expression not of support, but of disgust at the treachery of the union leadership.

The contract included virtually everything the company had demanded in an earlier proposal the workers voted down in May. They now face an estimated 20 percent reduction in real wages over the course of the six-year contract, as well as cuts in pensions and health care benefits.

Caterpillar insisted on slashing the workers' wages despite the fact that it posted a record profit of $1.7 billion in the second quarter of this year, a 67 percent increase over the previous year. CEO Douglas Oberhelman took in $16.9 million in 2011, a 60 percent increase from the year before.

The Caterpillar struggle drew national attention and was closely followed by the US corporate elite. As the *New York Times* noted in a front-page article July 22, "it has become a test case in American labor relations" because the company is "seeking steep concessions from its workers even when business is booming."

The article noted that Caterpillar justified its attack on the workers' living standards with the claim that current wages were "above market levels." With its demand for a "market wage," the transnational construction equipment giant was laying down a new benchmark for American workers.

Gone was any pretense of a "social compact" or an "American standard of living." Henceforth, wages would be lowered to whatever level US-based corporations declared was necessary to compete profitably in a global market. The "market wage" for US workers would be determined by the global labor market, i.e., American wages would be reduced to the levels that prevail in cheap-labor havens such as China, India, and Eastern Europe.

The same theme was reiterated Tuesday by the *Wall Street Journal*, which gloated in an editorial over the Caterpillar contract and gave high marks to the IAM. "Friday's vote is... a sign of an increasing recognition within organized labor that American companies must remain competitive in a global economy," the *Journal* wrote. "For Caterpillar, that means paying market rates for labor, not the above-market rates that used to be routine in union contracts at American manufacturers."

The IAM earned this praise from the main media mouthpiece of corporate America by working from day one to isolate and sabotage the strike. It refused to call sympathy strikes at other Caterpillar plants, even those with upcoming contracts. It did nothing to block the flow of strikebreakers into the plant, enabling the company to maintain production.

The IAM worked deliberately to demoralize the striking workers and defeat their struggle. Like the rest of the official unions, the IAM long ago ceased to be a genuine workers' organization. It is a labor syndicate that serves as an arm of corporate management. It is controlled by a wealthy and corrupt layer of officials who seek a cut in the profits sweated out of the workers.

These organizations—which have severed any link to the traditions of class struggle, militancy and solidarity that at one time linked the term "union" to the aspirations of workers—today positively favor and actively work for the slashing of the wages and benefits of the workers they supposedly represent. For these syndicates, impoverishing and speeding up the workers is essential to enticing corporations that operate on a global scale to produce within the US. That, in turn, is a

© World Socialist Web Site

precondition for maintaining a sufficient pool of captive workers to provide the dues income needed to finance the lofty salaries and perks of the officials.

The betrayal of the Caterpillar workers is only the latest in string of union-orchestrated defeats going back decades. More recently, the union leadership has sabotaged every effort by workers to oppose the drive by the corporations and the government to make the working class pay for the breakdown of the capitalist system that began with the Wall Street crash of September 2008.

Only two days before the vote at Joliet, the Utility Workers Union of America forced a concessions contract on 8,500 New York workers who had been locked out for four weeks by Consolidated Edison, the power utility.

In February, the United Steel Workers ended a three-month lockout at Cooper Tire in Findlay, Ohio by accepting all of the company's basic demands.

One year ago, the Communications Workers of America and International Brotherhood of Electrical Workers called off a strike by 45,000 Verizon workers, who to this day are still working without a contract.

The reactionary role of the unions is bound up with their political alliance with the Democratic Party, one of the two main parties of American big business. Today the unions are supporting the reelection of Barack Obama, who spearheaded the corporate wage-cutting drive with his imposition of a 50 percent wage cut for all new-hires in the 2009 forced bankruptcy of General Motors and Chrysler.

The transformation of the unions into organizations hostile to the interests of the working class is the outcome of their nationalist and pro-capitalist orientation. The unions responded to the globalization of production and the decline of American capitalism over the past four decades by transforming themselves ever more directly into an arm of corporate management.

The determination of workers at Joliet to fight the dictates of Caterpillar is one expression of the immense anger and opposition that is building up in the American working class. It is part of a resurgence of the class struggle internationally. However, as one betrayed and defeated struggle after another has demonstrated, workers cannot defend their jobs, wages and conditions within the framework of the official unions.

New organs of struggle must be built—independent rank-and-file committees that reject the subordination of the interests of workers to the profit dictates of the corporate and financial aristocracy.

The fight to defend the interests of the working class is above all a political struggle, directed against the two big business parties and the capitalist system they defend. The working class needs its own political party, based on a socialist perspective, including the nationalization of the major corporations under democratic control and the seizure of the ill-gotten wealth of the financial oligarchy. This will be a critical step in the reorganization of economic life based on the fulfillment of social needs, not private profit.

The Socialist Equality Party and its candidates Jerry White for president and Phyllis Scherrer for vice president are intervening in the elections as part of the struggle to build a mass socialist movement of the working class. We urge all workers to study our program, support our campaign, and take up the fight for socialism.

For more information on the SEP campaign and to become involved, visit socialequality.com.

Andre Damon

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site