

Caterpillar prepares confrontation with South Milwaukee workers

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Contract talks are scheduled to begin April 2 between Caterpillar Inc. and the United Steelworkers Union (USW) for a new contract covering 800 workers in South Milwaukee, Wisconsin. These are the first negotiations since the South Milwaukee plant was acquired in 2011 by Caterpillar as part of its \$8.8 billion takeover of mining equipment giant Bucyrus. The last contract was negotiated in 2008, under the previous ownership.

In a move to intimidate the workforce into accepting major concessions the company announced the layoff of up to 40 percent of unionized workers at the South Milwaukee plant. As many as 300 factory workers face what the company described as short term layoffs. Caterpillar blamed the layoffs on slowing global demand for mining equipment. The announcement was made late on March 28 ahead of the long Easter weekend, avoiding an immediate confrontation between management and workers and also giving time for workers to blow off steam.

The contract talks begin as the company is in the midst of carrying out a global campaign to slash wages under conditions of the world economic slowdown and pit workers against each other in a competitive race to the bottom. This has been facilitated by the complicity and betrayals of the official trade unions.

This campaign has been seen most recently in the mass layoff of workers in Gosselies, Belgium, and Northern Ireland, the shuttering of the London, Ontario, Electromotive Diesel plant, and enforcement of major concessions in Joliet, Illinois. More than 100 workers also lost their jobs in Australia, when the company shifted production of mining trucks from Victoria to Mexico.

Caterpillar, the world's largest manufacturer of construction and mining equipment, made a record

\$5.68 billion in profits on \$65.87 billion in revenue in 2012. Chairman and CEO Douglas Oberhelman pulled in a total compensation of \$16.9 million in 2011, a 60 percent increase over his income in 2010.

Despite the claims that it hopes to avoid a work stoppage, Caterpillar has been preparing for just such an event. Non-unionized managerial and support staff at the South Milwaukee plant are being trained to operate as strikebreakers. At the same time, lead production workers have been compelled to develop standard operating procedures making it possible for less-skilled replacements to quickly take over production work.

While Caterpillar is preparing for a confrontation, the response of the USW is to do everything to sow complacency, disarm workers and pave the way for the slashing of wages and benefits at the South Milwaukee plant.

Behind the scenes, the USW is working to convince the company not to take aggressive action by offering its collaboration. In response to questions about a potential strike at the South Milwaukee plant, national USW spokesman Gary Hubbard stated, "We can help Caterpillar succeed," making clear the union's desire to function as an arm of Caterpillar's labor management if only it were allowed to.

USW Local 1343 has appealed to the Milwaukee Area Technical College (MATC) to stop training 25 non-union Caterpillar workers who could be used as strikebreakers. A MATC spokeswoman responded by saying the school must honor its contract with Caterpillar as part of its mission of "being responsive to the needs of businesses in our district." Caterpillar, for its part, claims the training program at the school is part of its standard contingency planning and not part of a strikebreaking plan.

USW Local 1343 has sought to convince workers that the wage and benefit cuts forced upon Caterpillar workers throughout the world will not happen to them. When asked last summer if Caterpillar would attack the South Milwaukee workers' wages and benefits, Local vice-president Barry Lewis responded, "if they want to tear that down—I don't know that they do—but if they want to, that's not going to behoove them at all. It would amaze me if they tried to."

Lewis attempted to downplay the implications of the concessions contract at Caterpillar's Joliet, Illinois, plant, saying, "Some people are very worried. We're not sure how it equates to us, I mean, we're aware that they're United Auto Workers [the workers in Joliet are, in fact represented by the IAM, not UAW], we're Steel Workers. The product lines are completely different."

In light of developments over the last two years, it is evident Caterpillar plans to slash wages and benefits at the plant.

The UAW's betrayal of Caterpillar workers in the 1990s set the tone for the ensuing two decades of concessions and givebacks. Each union betrayal has only encouraged the company to press ahead with further attacks. Most recently, the UAW's 2011 contract set the tone for Caterpillar's negotiations with the International Association of Machinists (IAM) and the USW: lower wages, increased contributions to pensions and health insurance, and more "flexibility" in the workforce—i.e., destruction of job classifications, work rules and protections against speed-up.

The USW will do nothing more than the UAW and IAM, in regard to waging a genuine struggle. Tied to the Obama administration—whose manufacturing policy is known as "in-sourcing"—the unions are committed to undercutting labor costs in other countries and convincing global companies like Caterpillar that they need not go outside the US to find cheap labor. They are opposed to any struggle that would unite workers plant by plant, let alone country by country.

During the machinists' strike last year, tens of thousands of Caterpillar workers represented by the UAW and USW were compelled to use parts made by scab workers in Joliet. The IAM discouraged expanded industrial action by workers; it instead promoted feeble protests outside of Caterpillar shareholder meetings and the reelection of President Obama.

USW bureaucrats are concerned most with

maintaining dues pay, of which a significant portion goes to pay their handsome salaries. They are more than willing to work with the company to push through wages and benefit cuts in order to maintain their institutional interests. Including benefits and other compensation, USW president Leo Girard earned \$195,565 in 2011. More than 470 USW bureaucrats had a total compensation exceeding \$100,000 in 2011.

The official unions, in the United States, Canada, and internationally, have long ceased to function as organizations that defend the interests of the working class. The only force strong enough to counter the offensive by Caterpillar is the international working class mobilized on the basis of a socialist program. The USW, IAM, UAW and other unions, which are based on nationalism and the defense of the profit system, are incapable of waging such a struggle.

The only way forward for South Milwaukee Caterpillar workers is a decisive break, organizationally and politically from the USW. An independent rank-and-file committee must be formed to organize militant industrial action, including plant occupations and strikes, against the attacks on living standards. A wide appeal must be made to mobilize workers throughout the United States and internationally to fend off further attacks on wages, benefits, and working conditions.



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