

Union seeks sellout deal at South Milwaukee Caterpillar plant

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A week after the collapse of talks between Caterpillar and the United Steelworkers (USW) in South Milwaukee, the union remains determined to work with the company to push through a six-year concessions contract. As with every step of negotiations thus far, the USW continues to keep rank-and-file workers in the dark.

Sub-district director Ross Winklbauer has reiterated that the USW will not call a strike in response to Caterpillar's intransigence. The union is ordered workers—who overwhelmingly rejected Caterpillar's final offer—to continue working. By ruling out any industrial action, the union has ceded all of the initiative to the company and left workers vulnerable to a lockout, a tactic repeatedly employed by the global heavy equipment maker.

Caterpillar has made it clear it is prepared to bring in management personnel and strikebreakers to maintain production, going so far as using a local technical college to train replacements.

Workers have bristled at Caterpillar's arrogance and are frustrated by the USW opposition to a strike. Since the breakdown of contract negotiations talk of a wildcat strike, in defiance of the union, has circulated among workers.

The South Milwaukee plant was taken over by Caterpillar in 2011 after its \$8.8 billion buyout of Bucyrus International, a significant player in the global mining equipment industry. The integration of Bucyrus' operations has led to a disruption of the labor-management partnership enjoyed by USW Local 1343, with Caterpillar taking a much more aggressive tact.

Under Bucyrus, the USW served as the company's handmaiden and PR promoter. Local 1343 officials had input in the company's machine purchases, the implementation of new manufacturing processes, and were invited to board meetings to offer their opinions on business decisions. Since Caterpillar's takeover in 2011, the USW has chiefly been frozen out of its prized

advisory position.

The company has no desire to treat the union as a middleman. It wants the USW to function solely as a labor police force—like the United Auto Workers, the International Machinists Association—to crush the resistance of workers in South Milwaukee to its demand for “market-rate” wages, higher production quotas and obedience. For its part, the USW is perfectly willing to sacrifice the interests of workers to accomplish this. That has been made amply clear by the statements of USW International President Leo Gerard, Winklbauer and other officials who have repeatedly asserted their commitment to keep the company profitable and “competitive.”

The ruthless determination of Caterpillar was revealed shortly after the takeover with the September 2011 death of worker Jeffery Smith who was crushed by a multi-ton crawler. Caterpillar carried out its own whitewash of the accident while refusing access to an investigative team from the USW on the grounds that it needed to protect proprietary interests and any further investigation of Smith's death would be redundant.

The USW did nothing outside of issuing a toothless complaint with the National Labor Relations Board (NLRB). After two years, in April, the NLRB simply shook its finger at the company, saying it must give USW investigators access to the facility. As for the Occupational Safety and Health Administration (OSHA), it showed the value it places on workers' lives by fining the company \$7,000 in March 2012.

The current contract dispute at South Milwaukee is just one part of Caterpillar's much larger global strategy of shifting operations and sales to Asian markets, while countering competition and utilizing the 2008 economic crisis to place downward pressure on labor costs throughout the world. Since 2010, Caterpillar has announced the construction of new manufacturing facilities in Thailand, at the mouth of the Yangtze River in

China's Jiangsu province, and in Chennai, India.

After the failed acquisition of Chinese equipment maker ERA, Caterpillar attempted to counter expansion into China by its rival Joy Global, the second largest manufacturer of mining equipment in the world. Joy manufactures mining equipment similar to that produced by Caterpillar in South Milwaukee at its P&H plant in West Milwaukee. In July 2011, Joy Global acquired Mining Machinery Holdings Ltd for \$1.1 billion in its own move to expand into the Chinese market and block Caterpillar.

The multi-billion dollar acquisition of Bucyrus by Caterpillar two years ago was the largest in the history of the company, and by hook or by crook Caterpillar is determined to extract returns from their investment. The company is determined to achieve this in part by establishing "market-based" wages for new hires, freezing the wages of current workers, and limiting health care and pension obligations in South Milwaukee.

Workers face a union determined to work hand in hand with Caterpillar to enforce these concessions. There is no way for workers to resist devastating concessions while they remain trapped within the USW. Workers in South Milwaukee must break with the USW by forming independent rank-and-file committees to organize a genuine struggle against the reduction in wages and benefits.

The struggle of workers must, above all, be guided by a socialist and internationalist perspective that begins with the needs of workers around the world, not the profit demands of the corporate CEOs and Wall Street investors. South Milwaukee workers must reach out for support to other Caterpillar workers and other mining equipment workers, including those represented by USW Local 1114 at P&H in West Milwaukee to develop a determined fight against concessions.



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