

# Reject the USW sellout in South Milwaukee! For an independent struggle by the working class!

The Socialist Equality Party  
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The Socialist Equality Party calls on South Milwaukee Caterpillar workers to reject the sellout deal being pushed by the United Steelworkers (USW). The defeat of the contract should be the beginning of a fight to mobilize Caterpillar workers around the globe against the company's demands for poverty wages and sweatshop conditions.

For all intents and purposes, the USW is calling for workers to ratify the same contract they overwhelmingly defeated at the end of April. This only demonstrates that the USW is a tool of the company and that the only way workers can defend themselves is by taking the conduct of the negotiations out of the hands of the USW.

Steelworkers sub-district director and chief negotiator Ross Winklbauer endorsed the foul deal, calling it “the best contract proposal that we are going to make.” If that is the case, what has the USW spent the last month-and-a-half doing?

Winklbauer and International President Leo Gerard ignored the strike authorization vote by workers and rejected any struggle to mobilize CAT workers throughout the US and internationally. Instead, they have spent the time conspiring with Caterpillar to ram through the agreement against the opposition of the rank-and-file.

This includes increasing the derisory signing “bonus” to bribe workers to accept the deal. But the bonus—which works out to about 35 cents an hour over the life of the contract—will be more than chewed up by the wage and benefit concessions accepted by the USW.

The six-year “contract” is nothing but a slave's charter that will set a new precedent for the further

destruction of living standards and working conditions, not only for Caterpillar but all manufacturing workers. If passed the contract will freeze the wages of current workers for six years, condemn new hires to “market-based” wages as low as \$13.46 an hour, freeze pensions, and push workers retirement contributions into a 401(k) plan.

While CEO Douglas Oberhelman and other top executives receive huge pay raises, the USW and the company insist that CAT can only remain “competitive” if workers tighten their belts and watch their meager paychecks eaten up by rising gas, food, health care and other costs.

At the current rate of inflation, the wage freeze for workers making \$34 an hour will result in a decline in real wages of \$2.58 an hour over the life of the contract, an effective pay cut 6.45 percent. Those at the lower end of the pay scale at \$18 an hour would see real wages decline by \$1.38 per hour, an effective pay cut of 7.6 percent.

The deal will reduce workers to little more than industrial slaves to be paid according to output and laid off at will. Caterpillar, which has already targeted hundreds of workers at the plant for layoff, will be allowed to keep workers on temporary layoff status for 10 weeks per year.

Under the Employee Reward Program, workers will only get “incentives” if they meet production targets, a proposal that harkens back to the dark days of the hated piecework system overturned by workers generations ago. This is a recipe for increased injuries, speed-up and job overloading, which will set the stage for the permanent elimination of hourly wage increases.

Then there are the “market-based” wage scales,

which only mean the next generation of workers will be engaged in a race to the bottom. The “market” is not some mysterious interplay of economic forces but the outcome of actions by the corporate, financial and political elite, which include the deliberate maintenance of high levels of unemployment that drives down wages. If Caterpillar is successful in lowering wages this will only set off a further competition between big corporations to drive down wages.

The trade unions, including the Steelworkers, have long ceased to operate as working class organizations. They function entirely on behalf of the corporations and the high paid businessmen like Gerard and Winklbauer who hope to cash in by offering up their members as cheap labor and blocking any action that would threaten the profits of their corporate masters.

The only way forward for the workers in South Milwaukee is to break with this pro-company institution and develop new organizations to mount an industrial and political struggle against the domination of society by the corporate and financial aristocracy.

There is an enormous opposition among workers across the country and the world against the unending demands for wage concessions, while the banks and corporations are making massive profits. Workers are looking for any section of workers to take a stand, and if those in South Milwaukee break through the straitjacket of the union and begin a fight they will attract the support of workers throughout the country and the world.

The most important question is the development of leadership to oppose the economic and political dictatorship of the giant corporations and banks. Workers cannot defend themselves through the trade unions or the Democratic Party, which, no less than the Republicans defend the interest of Wall Street and corporate America.

Through the promotion of its economic policy of “insourcing” the Obama administration has sought to cut workers’ wages and slash benefits to attract global corporations with cheaper labor. Meanwhile, USW leader Leo Gerard is collaborating with congressional Democrats to promote trade war with China in order to block the international unification of workers against the global capitalist system.

The rejection of the sellout in South Milwaukee should become the beginning of an industrial and

political counter-offensive by CAT workers and all workers against the dictates of the corporations. To initiate this fight, workers should elect a rank-and-file committee of the most militant and trusted workers to take the negotiations out of the hands of the USW and begin preparations for a strike.

This struggle must not be isolated to the South Milwaukee plant. A broad appeal must then be made to mobilize Caterpillar workers throughout the country and internationally to defend the wages and benefits of workers in South Milwaukee.

If the social rights of working people—for secure and good paying jobs, health care, housing, education and a comfortable retirement—are to take precedence over the profits of the rich, then above all workers must take up the fight for socialism. This includes taking the industrial monopolies, like Caterpillar, and the banks out of the hands of the corporate exploiters and putting them under the democratic control of workers themselves. In this way, economic life can be reorganized to meet human need, not private profit.

We encourage those interested in taking up this fight to contact the Socialist Equality Party today at [sep@socialistequality.com](mailto:sep@socialistequality.com).



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