

# Boeing workers decisively reject sellout contract

Shannon Jones  
15 November 2013

By a decisive 67-33 percent margin, Boeing workers in the Pacific Northwest voted to reject an eight-year sellout contract extension containing massive concessions, including the elimination of defined benefit pensions and higher health care costs.

Members of the International Association of Machinists District 751 in Everett, Washington banged drums, blew whistles and waved hand-lettered signs calling for a no vote on the contract. The announcement of the vote result sparked celebrations among Boeing workers, who rejected the intimidation and blackmail on the part of corporate management, union officials and Democratic politicians, who claimed the concessions were necessary to preserve jobs.

According to a report in the *Wall Street Journal*, “Chaos marked the announcement here: The union’s International Aerospace Coordinator Mark Johnson shared the results with assembled members, then quickly left the meeting hall to boos and chanting from members.”

Thousands of machinists in Everett walked off the job Friday after an explosive union meeting at which workers denounced IAM officials for backing the eight-year contract extension, from 2016 to 2024, that would eliminate defined benefit pensions, slash wages and ban strikes for 11 years. The contract would cover 31,000 IAM members in the Seattle area and another 1,500 in Portland, Oregon.

The proposed agreement would have entailed a substantial reduction in the living standards of Boeing workers. It would have substituted an inferior 401(k), defined contribution pension for the current defined benefit plan. It would also increase out-of-pocket medical expenses and curtail coverage for current and retired employees in line with Obama’s Affordable Care Act, which imposes an excise tax beginning in

2018 on so-called “Cadillac” health care plans.

In addition it would have offered a miniscule one percent pay increase every other year of the contract. Further, new hires would take 16 years to reach top scale as opposed to six years under the current agreement. To bribe workers into accepting these attacks, the company offered a \$10,000 signing bonus.

Doug, a Washington Boeing worker, told the WSWS, “Seems everyone knows once they start taking they will never give it back and they will ask for more. It was almost too funny watching the video of Ray Conner, CEO of Boeing Commercial—the charts, the verbiage and demeanor—was spot on to what I heard CEOs so many times before.

“I told everyone I could: Don’t fall for it! I’ve heard this all before and it ended badly, very badly. Do not roll over, because if you vote yes they will do it anyway. Do not believe the lies. Boeing’s only motive is mega-profits and sooner than later if they can.

“I was happy to hear young workers just starting out saying Boeing could shove their \$10,000. Most of these new hires are starting at pay grade 3, 4 and 5. As it stands you get a 50 cent pay raise every sixth month and on your sixth year you ‘zoom’ to top rate of that pay grade. Boeing wants to reduce that to 50 cents every six months till you top out and that could be as many as 20 years for some pay grades.

“I would rather die on my feet than serve on my knees! I was proud of these guys and gals! Even the new hires, young kids, stood firm on the future workers of Boeing. The corporations and government have become like the locusts, greedily feeding on the crops that nourish them until nothing is left.”

Mike, a Boeing worker in Portland, told the WSWS, “I’ll make it, I’m old enough. Who they’re really screwing is the younger generation. I think it’s

absolutely predatory what they're doing."

Another Portland worker, Pat, added, "They're dangling that carrot in front of us like it's going to make a difference," referring to the \$10,000 signing bonus. "I'm more irritated with the union officials instead of Boeing. This deal was made behind closed doors and it just doesn't sit right with me. The airline industry didn't get hurt by the recession; these idiots can't get enough of our money."

A Boeing worker in Everett told the WSWs she was very angry that a new agreement was being proposed at a time that the old contract was still in effect and that the new agreement would ban strikes. She indicated that her biggest concern was the fact that under the company's proposal it would take new hires 16 years to reach top pay scale. She said, considering the rates of inflation, the new hires would "need food stamps to survive."

In reaction to the vote Boeing management immediately restated threats to look for another location for production of the new 777X jetliner. Boeing had insisted that manufacture of the 777X at its Everett, Washington facility was contingent on Boeing workers accepting the company's concessions package. In a statement released after the vote Boeing CEO for Commercial Airplanes Ray Conner said, "We are very disappointed in the outcome of the union vote. But without the terms of this contract extension, we're left with no choice but to open the process competitively and pursue all options for the 777X."

Democratic Washington Governor Inslee also expressed anger. "This was an unparalleled opportunity for us," he declared. "It was the largest job creating opportunity in the state of Washington history. We could have won it tonight without anyone even getting in the front door."

Summarizing the feelings of many, a Boeing worker posted the following comment on Reddit.com. "Getting into the nitty gritty, we lose our pension after 2016, and [it] will instead be part of our 401k. Currently the company matches 50% on up to 8% of our pretax pay. This change means that more of our retirement is on us, not on them. And just because pensions are hard to find doesn't mean that we shouldn't have them. Pure corporate greed has killed pensions, and more people need to fight for them."



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**