

Caterpillar workers in US overwhelmingly authorize strike

Marcus Day
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In a sign of growing determination to combat years of layoffs and concessions, workers at the heavy-equipment giant Caterpillar voted overwhelmingly to authorize a strike last Thursday.

The Caterpillar workers voted by 93 percent to authorize the United Auto Workers (UAW) union to call a strike at several manufacturing plants in Illinois and one in Pennsylvania. The company has additional plants in the US that have labor agreements with the International Association of Machinists (IAM), the United Steelworkers (USW) or which are non-union. The global corporation employs 48,000 salaried and hourly workers in North America and another 58,000 in Asia, Latin America and Europe.

Bargaining between the UAW and Caterpillar officially began on January 4, and the previous six-year contract is set to expire at midnight on February 28. In a terse letter to local union officials UAW Vice President Norwood Jewell wrote, “Our goal for the current bargaining negotiations is to reach an acceptable agreement without a work stoppage. However, in the case where a strike may become unavoidable, the membership has voted to authorize said strike by 93 [percent].”

In September 2015, as Jewell was leading the UAW negotiations with automaker Fiat Chrysler (FCA), he was captured on video being denounced by angry autoworkers at an “informational” meeting at a Toledo, Ohio FCA plant. After a sellout contract was rejected by rank-and-file workers by a 2-to-1 margin, Jewell could hardly show up in public while the UAW used threats and lies to ram a second deal through. Jewell then oversaw talks with agricultural equipment manufacturer Deere, Inc., pushing another sellout through without giving workers sufficient time study the agreement.

Commenting on a report on the vote at Caterpillar in the *Peoria Journal-Star*, several workers expressed bitter anger both toward both the company and the UAW. Abe Elam denounced apparent moves by Jewell to include a signing bonus “sweetener” in the contract negotiations, stating,

“Norwood Jewell took our strike authorization and pissed on it when he manipulated our bargaining committee by secretly bringing back the signing bonus after it was decided that we didn’t want a signing bonus due to the fact it manipulates the vote.”

Another worker, John Craig, commenting in the *Peoria Journal-Star* online, angrily attacked the endless demands for workers to sacrifice while Caterpillar and its executives continued to rake in money: “Record profits and they never gave us a freaking dime on the last contract but everyone up top got something. I don’t give a crap where their profits are or aren’t we busted our butts during those record profits they received and they need to recognize that this contract but they won’t they will give everyone a story why they can’t pay the majority but they can step up their compensation.”

Fearing a rebellion like they faced from workers at the Big Three automakers in 2015, the UAW is keeping workers in the dark about negotiations and the company’s demands. Randy Smith, President of UAW Local 974, expressed the bureaucracy’s intentions to keep information about the back-room negotiations from getting into the hands of workers, stating that Caterpillar and the union had agreed to a media “blackout.”

At the same time, he sought to discourage workers from exchanging information independently of the union on Facebook and other platforms, as rank-and-file workers did to defeat the Fiat Chrysler contract in 2015. “Social media is a place for rumors and not the truth of what is going on,” Smith declared.

Caterpillar has used the ongoing repercussions of the 2008 economic breakdown, and resulting collapse in global sales, to press for further concessions from workers. Declining growth rates in China, the drop in the price of oil and other commodities, and overall global stagnation have led to dwindling sales of Caterpillar’s earth-moving, construction and mining equipment. While the company’s profits have been steadily declining from a peak of nearly \$6 billion in 2012, last year saw the sharpest fall, with \$67 million in

losses.

With the help of the UAW, Caterpillar intends to impose the full cost of the economic downturn on the backs of workers and to use the threat of layoffs to batter down resistance to concessions. In the fall of 2015, the company announced its intentions to lay off at least 10,000 workers worldwide over several years, along with plans to close or downsize 20 facilities.

In December 2016, the company began issuing layoff notices to an “undisclosed” number of workers. In a statement released less than two weeks before Christmas, the company wrote, “Caterpillar expects 2017 sales and revenues to be lower than 2016. Caterpillar will be taking additional actions around the globe, including job impacts, to lower our cost structure.”

They added, “We can confirm that notifications to impacted employees have begun today and will continue throughout the week. We will not be breaking out a total or confirm impact by location.”

On January 5 this year, a day after negotiations with the UAW began, Caterpillar also announced it was considering shifting production of its large and medium wheel loaders from its Aurora plant in the Chicago suburbs to facilities in central Illinois and Arkansas, potentially impacting 800 jobs.

Most recently, Caterpillar announced it was planning to move its global headquarters to the Chicago area, despite previous assurances that it would build a new campus in Peoria, its base of operations for over a century. The move will have catastrophic implications for the central Illinois city, which has already suffered years of deindustrialization and economic decline.

While Caterpillar has demanded unending sacrifices from workers, it has continued to lavish pay on its top executives. Its longtime CEO, Doug Oberhelman, received \$17.9 million in pay in 2015, and retired at the end of 2016 with a package valued around \$30 million, according to *Bloomberg*. His successor, D. James Umpleby III, is receiving over \$6 million in yearly compensation. Umpleby has also been appointed to Trump’s Strategy and Policy Forum, along with AFL-CIO President Richard Trumka.

While Caterpillar has a notorious record of ruthlessness towards workers, it has only been able to impose its attacks because of the complicity of the unions. In the early 1990s, thousands of Caterpillar workers twice waged militant, months-long strikes, only to see the UAW sabotage their struggles. In 1998, the union forced through the implementation of the two-tier pay system, paving the way for its later expansion to Deere and the Big Three auto companies.

During the last contract negotiations in 2011, the UAW made the lying claim that workers had to accept painful

concessions—including attacks on pensions, huge increases in health care costs, and pay increases insufficient to keep up with inflation—to “save jobs” at Caterpillar. While that claim has been shattered by the thousands of job losses of the last six years, it will not prevent the union from seeking to revive this claim to push through another concessions-laden contract.

The strike authorization vote is but one indication of a growing sentiment among workers to regain what has been lost after years of declining living standards under both Democratic and Republican administrations. Under the Obama administration, the unions limited strikes to the lowest levels in the post-World War II era, facilitating a historic transfer of wealth from the bottom to the top.

With the growth of social opposition to the billionaire president Donald Trump—who has falsely presented himself as a champion of workers—a mood of resistance will grow among workers as they seek to recoup decades of lost wages and benefits and oppose ever-greater demands for sacrifice under Trump’s economic policies.

Additional votes to authorize strikes have taken place or are planned by tens of thousands of telecommunications workers at AT&T and state workers in Illinois, along with truck drivers, teachers and other workers. Chemical workers at the Momentive Performance Materials plant in Waterford, New York, near Albany, have been on strike for more than three months against concessions demands by hedge fund managers, including Steve Schwarzman, who chairs Trump’s corporate and labor advisory panel. Schwarzman bought the plant when General Electric spun it off in 2006.

The struggle for good-paying jobs, a safe working environment, health care, a secure retirement, will inevitably place workers on a collision course not just with Caterpillar and its hirelings in the UAW, but the Trump administration and the entire political establishment. While they face a ruthless opponent in Caterpillar, workers there have powerful allies: the millions of workers in Mexico, China, Europe and elsewhere who have suffered under and are up against the same exploitative transnational corporations.

To take up this fight workers must form new organizations, democratically controlled by the rank and file, independent of the UAW and other unions, and committed to mobilizing the full strength of the working class to defend social rights.



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