

UAW-Caterpillar contract “highlights” reveal new attacks on jobs and wages

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Yesterday morning, the United Auto Workers union released the “highlights” flyer of its tentative agreement with Caterpillar, the construction and mining equipment giant. Although the document is an attempt to present the six-year contract proposal in the best possible light, it nevertheless reveals major givebacks to the company.

Caterpillar workers should reject the UAW’s attempt to stampede them into accepting yet another sellout contract at ratification meetings scheduled for Sunday, March 26. They have a right to see and study the full contract before any vote takes place, including all “letters of understanding” and other memoranda used to hide the real content of the deal.

While the UAW claimed to have reached the six-year agreement over a week ago, on March 15, it has refused to release the full contract to workers. The UAW executives apparently intended to withhold their “highlights” flyer until the votes themselves, and only agreed to release it a few days early after facing angry questions from workers on social media and elsewhere over the weekend.

As the document makes clear, the union’s only reason for keeping the full contract from workers is that they are afraid it would provoke even more explosive opposition than the highlights already have.

It begins with a letter from Norwood Jewell, the UAW vice president who was the architect of concessions agreements at both Fiat-Chrysler and John Deere in 2015. Seeking to lower workers’ expectations at the outset and justify the abysmal character of the document’s contents, he writes, “During the course of 2017 negotiations, your UAW Caterpillar National Policy Committee was faced with enormous challenges as sales of mining and construction equipment manufactured in UAW-represented Caterpillar facilities declined by 40 percent during the term of the 2011 agreement.”

He continues, “During the opening ceremony of these negotiations, the negotiating team was immediately faced with Caterpillar announcing the contemplation of closure of the Aurora, Illinois, manufacturing facility. This action would impact nearly 800 brothers and sisters working in

Aurora. The cost of health care had been increasing on an upward trend throughout the 2011-2017 contract.”

As a worker from the Caterpillar plant in Decatur, Illinois, told the *World Socialist Web Site*, “It sounded to me like he felt sorry for Caterpillar, so we’re supposed to take it on the chin again. The whole letter was sympathetic to Caterpillar.”

As has become standard operating procedure in union contracts throughout the US, signing bonuses and lump sum payments are used to get workers—who are facing economic hardships due to UAW-backed wage concessions—to swallow a new round of attacks on jobs, wages and benefits.

The contract entails the all-but-certain closure of the Aurora, Illinois plant. The highlights state that the factory is exempt from the moratorium on plant closures, and that Aurora workers are excluded from a \$10,000 early-retirement bonus (which is itself intended as an incentive to force out older workers at other plants). To encourage Aurora workers to resign themselves to their fate, the UAW states they would receive a week’s worth of pay for each year they’ve worked—and will no doubt tell them Sunday that they will receive nothing if they vote ‘no.’

A second-tier worker at the Aurora plant denounced the payout deal, telling the WWS, “Those 40 hours of pay, after taxes and the union take their part, they drop you down to simply nothing. Basically, it’s Caterpillar’s attempt to manipulate everybody. If you don’t vote ‘yes’ right now, they’re going to drop everything.”

The UAW’s highlights reveal further attacks on first-tier workers, i.e. those who were hired before 2005 and who had previously earned better pay and benefits.

The deal includes *zero* guaranteed base wage increases for workers hired before 2005, no cost-of-living adjustments, and an insulting lump-sum payment of \$1,000 in 2020. By the end of the contract period in 2023, such a worker would have undergone a pay freeze for nearly 20 years.

As one worker noted bitterly on Facebook, “Who works for a company for 18 years making the exact same wages?? Some of us... Go hide more of your billions... corporate greed at its finest...”

For workers hired after 2005, the situation is no better, despite initial appearances. These lower-paid workers will receive only two general wage increases of two percent each in 2018 and 2020, a miserly amount. While the highlights state that these workers will be eligible for “market-based wage increases”—an intentionally vague formulation—in other years, this promise is worthless. Essentially, the UAW has “negotiated” that Caterpillar will unilaterally determine whether and how much of a raise workers receive.

Moreover, the highlights contain ominous implications for workers’ health care.

In the first contract proposal at Fiat-Chrysler in 2015, one of the main points that provoked workers’ opposition was the attempt by the UAW to create a health care “co-op.” This was to be modeled on the Voluntary Employees Beneficiary Association (VEBA), the multibillion-dollar fund for retiree health care set up with a one-time payment by the companies. Under the control of the UAW, the union became the one to directly administer cuts to services and hikes in out-of-pocket costs.

In the contract with Caterpillar, the UAW is again invoking rising costs as a means to carry out a major restructuring of employer-paid health insurance. Having agreed to a doubling of workers’ shares of premiums over the life of the 2011-2017 agreement, the UAW is now claiming that workers’ health care contributions will be contained by shifting them onto the same plans as management, while giving no explicit guarantees of how much workers will be responsible for out of pocket over the life of the contract.

Finally, the highlights make no mention of a host of critical issues for workers, including the percentage of supplemental employees the company can employ, or any changes to workers’ retirement plans. In 2011, the company and union pushed through the effective end of the defined-contribution retirement plan (pensions) for pre-2005 employees, who were forced into a 401(k) at the end of last year.

The concessions revealed in the highlights have already provoked outrage among many workers. “This contract is a slap in the face to all of us,” said one on Facebook. “This is a horrible offer. Cat can do a lot better,” commented another.

The worker in Aurora told the WSWS, “A lot of people feel overlooked. Personally, a lot of us don’t have that much confidence in the UAW. Looking at the history of previous agreements, it is not a positive view of the union. And closed bargaining, that was no good for us. They try to keep all us ignorant. All we know is that Caterpillar said, ‘this is what we’re going to do,’ and the union sits there and accepts it. It’s the working class against the company.”

The agricultural and heavy equipment industries, particularly Deere and Caterpillar, have long served as the testing ground for “innovative” attacks on the gains workers have made over generations of struggle, later to be deployed throughout the auto industry and beyond, all with the collusion of the unions.

Caterpillar is citing the downturn in global market conditions—over which workers have no control—to demand that workers give up what little they have left. But the company has earned tens of billions in profits over the last 10 years, showering its CEOs with multimillion-dollar stock options and bonuses, and issuing \$1.8 billion in dividends to its investors last year. In years good or bad, the answer from the company and the union is the same: we have no money!

Workers should reject the tentative agreement with the contempt it deserves.

Nothing has ever been gained without mass struggle. Rank-and-file committees—democratically elected and run by the workers themselves—should be organized at every plant to formulate real demands and a strategy to fight for them.

These demands should include:

- A 35 percent wage increase and the restoration of COLA
- Fully funded pensions and employer-paid health care for active and retired workers
- No plant closings
- Abolish multi-tier wage and benefit schemes
- Convert all temporary and supplemental workers into full-time employees

Rank-and-file committees should develop lines of communication with workers at other Caterpillar, Deere and auto plants in the US and throughout the world to initiate a counteroffensive in defense of jobs, wages and the social rights of the working class. In this fight the *World Socialist Web Site* and its *AutoworkerNewsletter* will provide workers with all the assistance it can.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact