

# Caterpillar to close plant in Joliet, Illinois

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Caterpillar Inc., the global construction and heavy equipment giant, recently announced it would be laying off 285 workers at its Joliet, Illinois, facility between January and June of 2019. The company had previously indicated it would be closing the plant entirely next year. The closure will have a devastating impact on hundreds of families in Joliet and its surrounding suburbs, an already economically hard-hit area, 40 miles southwest of Chicago.

The proposed shutdown is part of a decades-long onslaught on workers' jobs, wages and working conditions by Caterpillar. This has been facilitated by the United Auto Workers (UAW), the United Steelworkers (USW) and the International Association of Machinists (IAM), which have sabotaged all resistance by workers. The IAM betrayed a bitter three-and-a-half-month strike by nearly 800 workers at the Joliet plant in 2012, paving the way for its closure.

"Caterpillar intends to transition manufacturing currently performed in Joliet to other Caterpillar factories," CAT spokesperson Kate Young wrote in a notice about the layoffs. The company had previously indicated in 2015 that it would move several production lines from Joliet to Mexico. The exact date of the plant closing has yet to be confirmed.

A Joliet Caterpillar worker who has only worked there for a year told the *World Socialist Web Site*, "Some are more affected by it because they just don't want to start back at square one. They have families to care for, some want to send their children off to college and some pay bills like most of us."

She pointed to already-existing financial strain on her own family. "Living on your own is definitely not so easy in this generation. It costs a lot more now, so I stay with my parents. I help my father pay bills as well. We both work here and now we will have to look [for other jobs] as well. Unemployment will be good help. But it's definitely not the same as getting a good check for a family of six!"

The planned shutdown of the Joliet facility comes in the

midst of an escalation of the global corporate assault on jobs. On November 26, General Motors announced its plans to close five factories in the US and Canada and two abroad, eliminating 15,000 hourly and white-collar jobs, as part of a plan to slash \$6.5 billion in costs. Since then, additional GM plants have become targets for closure, threatening 6,000 additional jobs. Financial analysts are both predicting and lobbying for further cuts in the auto industry, including at Ford Motor Company, where 25,000 layoffs are projected for next year.

In every country, Wall Street is demanding that corporations carry out further attacks on workers in anticipation of a major global economic downturn and trade war. The corporate and financial elite are also deeply concerned with the rise internationally of workers' resistance and strikes, including the revolt of French workers in the "yellow vest" protests against inequality and austerity.

Caterpillar has driven up its share value—its stock was the second-best performing in the Dow Jones Industrial Average in 2017—on the basis of relentless cost-cutting and factory shutdowns. The company announced a multi-billion-dollar restructuring campaign in 2015, stating its intention to lay off more than 10,000 people through 2018.

Earlier this year, the company announced plans to shutter plants in Waco, Texas, and in Panama, and floated the possibility of shuttering its Progress Rail locomotive engine plant in the Chicago suburb of La Grange, with the possible elimination of 600 full-time positions.

In March 2017, at the opening of contract negotiations with the United Auto Workers union, Caterpillar threatened the closure of its Aurora, Illinois, facility by the end of 2018, putting a question mark over more than 800 jobs. After the UAW rammed through a sellout contract over widespread opposition, the company confirmed its plans to close the plant. This is expected to be finalized in the coming months. Globally, Caterpillar has also shuttered facilities in Belgium and elsewhere.

Neither the IAM national leadership nor the IAM Local

851 in Joliet have issued any statement opposing the layoffs or closures. In fact, Young, Caterpillar's spokesperson, pointed to the ongoing collaboration of the union in her statement, noting the IAM had agreed to the extension of the existing contract into next year. "We have reached an agreement with the IAM to extend the current Joliet contract into 2019 to complete the work at the facility so we can meet customer needs."

Zach, a worker in Joliet, spoke about the effect on those working at the Caterpillar facility. "Some family friends of mine got moved there from the Aurora plant that my dad spent 33 years working at. The family friend is going to have to move again while all his family is here. The other plant he almost got sent to is in Texas."

In 2012, nearly 800 Joliet Caterpillar workers struck for three months, seeking to prevent an attack on their living standards. The IAM ended the strike by imposing a concessions contract, which included a 20 percent reduction in real wages, as well as cuts to healthcare, benefits and pensions.

The workers at the plant—who produce cylinders, gears, valves and pumps for mining trucks—have seen their livelihoods destroyed. During the course of the strike, they were strung along on meager strike pay, which drove many workers into hunger and poverty, while others exhausted their savings or lost their homes.

Far from expanding the struggle or calling for joint strikes among other Caterpillar facilities, the IAM and the unions representing other Caterpillar workers, including UAW and the USW, enforced the isolation of the Joliet workers.

The unions' betrayal of the 2012 strike, far from "saving jobs," paved the way for layoffs and the eventual closure of the current facility.

Even as Caterpillar was reaping massive profits, the Joliet strike was widely seen by the Obama administration and industry analysts as another benchmark—alongside the restructuring of the auto industry—in the reduction of wages and benefits of manufacturing workers. Between 2012 and 2015, Caterpillar laid off more than 31,000 workers and closed 20 facilities.

Caterpillar, which has more than 123,000 workers worldwide, including 53,400 in the US, reported a record \$1.72 billion in profits in the third quarter of 2018. The massive profits have also followed tax cuts by the Trump administration. Despite these record profits, Caterpillar has been affected by the US-China trade war measures, with increased costs due to tariffs and higher supplier prices.

But that has not stopped the company from lavishly paying its top executives and shareholders. Former Caterpillar CEO Doug Oberhelman left the company in 2016 with a total compensation package, including salary and stock options, of \$15.5 million after overseeing thousands of layoffs, plant closures, a tax corruption scandal and more.

Current Caterpillar CEO D. James Umpleby III has a total compensation of \$14 million, with \$1.2 million in annual salary, \$3.5 million in bonus, \$5.3 million in stock options, \$3.3 million in stock and hundreds of thousands in other compensation benefits. Umpleby currently makes more than 213 times the median compensation of a Caterpillar worker.

After just completing a five-year \$10 billion stock buyback program to further enrich its top shareholders and executives, CAT is scheduled to embark on another \$10 billion program on January 1, 2019.

Top IAM union officials are also paid handsomely for their part in imposing the dictates of management. Current IAM president Robert Martinez takes in a total compensation package of \$340,227, according to their LM-2 filings with the US Department of Labor, placing him within the top 5 percent of income earners. The total disbursements for the IAM officers amount to \$3.2 million for 11 officials.

The defense of workers' jobs and living standards must be taken out of the hands of the unions, which function as cheap-labor syndicates and arms of management. Workers must form rank-and-file committees, independent of the unions, to oppose plant closures, layoffs and any further concessions from these global corporations. Caterpillar workers should link up with GM and other autoworkers, as well as broader sections of the working class, such as teachers and UPS workers, to mount a counter-offensive against the corporate and financial elite.

*The authors also recommend:*

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