

# Ten facts about General Mills and Australia's United Workers Union

**Martin Scott**  
12 June 2021

As the strike of 80 food manufacturing workers at the General Mills plant in western Sydney enters its second week, the United Workers Union (UWU) continues to isolate the workers in preparation for a sell-out.

While the determined workers have again voted down an enterprise agreement offer providing for effective cuts to pay and conditions, the union's "community protest" has not shut down production at the factory and the UWU is actively hostile to any attempt to broaden the struggle.

Since the opening minutes of the strike, the UWU has done everything in its power to suppress the flow of information to and from workers. But in order to defend their rights and fight for improved pay and conditions, workers must be armed with a dossier on their opposition: The company seeking to further exploit them, and the union charged with enforcing management's will.

The facts below establish that workers must urgently expand the struggle and appeal directly to other sections of the working class. They underscore the fact that workers are in a fight against capitalism, the dominance of society by major corporations and banks, and all those political forces that defend it.

## General Mills workers in Sydney are part of a global struggle

The company has 47 production facilities in 10 countries: Canada, the United States, Mexico, Australia, France, Greece, Spain, Brazil, China and India.

Despite their diverse backgrounds, these workers all share the same interests, and the same exploiter. An attack on General Mills workers in one factory is an attack on all workers for the company and should be opposed as such.

Workers at the Sydney plant should also look beyond General Mills, and the food production industry, to the numerous other strikes taking place around the world.

Three thousand Volvo workers are currently on strike in the US, having overwhelmingly rejected the United Auto Workers' attempt to ram through a sell-out deal. In Australia, this week alone has seen a mass stoppage by New South Wales health workers and industrial action by port employees in Victoria, adding to a growing number of disputes.

## General Mills is carrying out a global restructuring

The strike at Rooty Hill takes place in the context of a global restructuring of the company. Already, General Mills has announced that

1,200–1,400 jobs will be slashed by 2023 in the US and internationally.

This is just the latest attack on jobs by the company, which has shed 8,000 workers since 2014 through a never-ending series of cost-cutting initiatives. Similar processes have been carried out throughout the food manufacturing industry, including at McCormick & Co., Campbell Soups and Kraft Heinz, and in every other section of the economy.

## General Mills increased its profits during the pandemic

General Mills currently ranks 169 on the Fortune 500, which lists the largest US-based corporations by total revenue. In the year to February 28, General Mills recorded \$18.6 billion in net sales and operating profits of more than \$3.4 billion.

In each of the last four quarters, the company recorded an increase in net sales and a double-digit percentage increase in operating profits compared to the previous year. In the third fiscal quarter of 2021, General Mills' operating profit was 27 percent higher than in 2020.

These profits were generated through the labour of General Mills' workers who continued to keep production lines running throughout the pandemic.

## Dividend payments to investors over the last year are equivalent to almost \$46,000 per worker

In the 12 months ending February 2021, General Mills paid \$US1.237 billion in dividends to its shareholders, or just under \$A46,000 for each of its 35,000 global employees if the true value of workers' labour was shared evenly.

The company returns a similar amount each year to its wealthy investors and takes pride in its record of paying dividends for 122 years without interruption.

## General Mills is backed by the world's largest investment funds

Around 45 percent of General Mills' stock is owned by major US banks and investment funds, including the "Big Three" index funds, The Vanguard Group, BlackRock and State Street Corporation, which together own more than one-fifth of the company.

It is these massive financial institutions that are behind the assault on

workers' pay and conditions at Rooty Hill and every other General Mills facility, through their demands for ever-growing profits.

A genuine struggle cannot be waged within the strictures of the capitalist system, which subordinates workers' interests to those of the financial elite.

### **Casual workers are not the enemy**

Approximately half of the workforce at the Rooty Hill factory is employed by labour hire firms on a casual basis, allowing operations to continue with minimal interruption while the permanent workers are on strike.

The UWU has sought to split workers, by denouncing the casuals. But the heavy use of labour hire employees is the result of previous union agreements dating back to at least 2004. Similar deals across industries and union-enforced destruction of full-time work have resulted in casual and contract employment making up between 30 and 40 percent of Australia's total workforce. Any struggle, if it is to succeed, must involve this section of the working class.

### **The UWU has more than enough money to provide full strike pay**

Despite the UWU's massive resources, the union has repeatedly refused to provide workers with strike pay in previous disputes, either giving them nothing but occasional food vouchers, or a pittance. While crying poor when workers need support, however, the UWU declared over \$300 million in assets at the end of last financial year, including more than \$94 million in cash and equivalents.

Mid-level workers at the General Mills plant earn a base rate of around \$1,260 per week, putting the total wage bill for the 80 workers at around \$100,000 per week, less than one-ninth of the union's weekly revenue from membership dues, and little more than one-tenth of one percent of its cash reserves.

### **The UWU is on the side of management**

The UWU claims to represent workers, but like other unions, functions as an arm of company management. This was most graphically demonstrated in the Coles Smeaton Grange dispute. The union isolated workers over the course of a 14-week lockout and refused to provide strike pay. It forced the workers to keep voting on the same sell-out deal, time after time, even though they had already rejected it. Eventually, the UWU forced through an enterprise agreement that provided for the closure of the warehouse, the destruction of all or most of the jobs, and the pitiful wage and redundancy levels offered by Coles at the outset of the dispute.

### **The "demands" advanced by the UWU amount to a sell-out**

Until yesterday, a week into the strike, the UWU had not publicly issued

a single demand of management. The union has now revealed that it is seeking a pay rise of a mere three percent per annum, just one percent more in the first year, and 1.75 more in subsequent years, than the offer already on the table.

The union's calls for "increased job security" and for workers to "retain their hard-won conditions" are vague to the point of meaninglessness. This is a deliberate ploy to allow the union to claim victory regardless of the details of the enterprise agreement.

Workers should reject this meagre log of claims and advance their own demands, including a genuine pay increase, well above the rate of inflation, and a guarantee of permanent positions for all casual workers.

### **The UWU is keeping the strike quiet**

After posting on Facebook on May 24 that General Mills workers had voted to take industrial action, the UWU made no further comment on the matter until more than seven hours after the strike had already begun on June 4.

The corporate media has been virtually silent, with a single news item on Nine's television news, and no print media coverage. The pseudo-left Socialist Alternative and Socialist Alliance have also not written a word about the strike in their media.

This silence is necessary, because the union, and the ruling class it defends, is keenly aware that workers around the country are subject to the same conditions—stagnant wages, cost-cutting, and increasingly unstable employment—as those at General Mills and that any broader discussion of this industrial action could set off a wave of strikes and protests throughout the country.

\*\*\*\*

Workers require their own independent organisations of struggle, including an independent rank-and-file committee, to prosecute a genuine offensive against the company's attacks. Defeating General Mills' demands requires the mobilisation of the working class, across the Australian and international food production industry and more broadly. The dispute directly poses the need for a socialist perspective, aimed at transferring General Mills, as well as the other major corporations and banks, to public ownership and democratic workers' control.



To contact the WSWS and the Socialist Equality Party visit:

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