

Indiana Pepsi drivers strike as Kansas Frito-Lay workers continue walkout

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More than 100 truck drivers, merchandisers and delivery personnel struck on Monday at a PepsiCo bottling facility in Munster, Indiana to oppose the demands of the company and fight for improved wages and against the corporation's move to shift more healthcare costs onto workers. The metropolitan Chicago area drivers and delivery workers walked out as 600 workers at Frito-Lay, a subsidiary of PepsiCo, continued their strike in Topeka, Kansas, which began on July 5.

The strike of Pepsi drivers and Frito-Lay workers is part of a growing wave of rebellions by the working class internationally against poverty wages, financial pressures from rising inflation and attacks on their living standards by multinational corporations, which have profited handsomely during the pandemic. In every case, workers find themselves in direct conflict with the unions, which are collaborating with the corporations to suppress the burgeoning movement by workers for substantial improvements in wages, benefits and working conditions.

Gary, Indiana Teamsters Local 142 has agreed to separate contracts between the striking drivers and delivery workers and the production workers at the bottling facility who are continuing to work. Harvey Jackson, vice president of Teamsters Local 142, told the *Times of Northwest Indiana*, "Where we're going to be picketing, they probably won't have to go through. Unfortunately, with Pepsi's contracts, it's in there that they've got to go to work. If one rejects, the other one still has to go to work."

Both bargaining units had workers vote on contract proposals Sunday. The Teamsters pushed through a contract on the production workers while drivers and delivery workers rejected the company's final contract offer.

The striking workers are opposing the company's proposal to increase health care premiums, starting with \$20 more a week, and culminating with \$81 more a week, or \$324 a month, by 2025. The drivers and delivery workers are also opposed to forced overtime and stagnant pay raises for over a decade.

According to the latest quarterly earnings report released by PepsiCo on Tuesday, the company made over \$2.36 billion in profits, an increase of \$1.65 billion from 2020. The company's revenue rose by over 20 percent due to an increase in restaurant demand for Pepsi products.

PepsiCo Vice Chairman and Chief Financial Officer Hugh Johnston bragged to CNBC, "We feel awfully good about the way the business is performing right now. A lot of the things we did through the pandemic, continuing to invest in the business, are paying dividends now." Johnston has a net worth of over \$88 million and previously served as president of the North American division of PepsiCo.

PepsiCo paid out over \$7.5 billion to investors in dividends in 2020 and the latest quarterly profits of \$2.36 billion shows that the company has more than enough money to pay better wages for its workforce.

PepsiCo's second quarter revenue report also raises uncertainty about maintaining profits due to the pandemic. Claiming it has implemented "health and safety protocols, business continuity plans and crisis management protocols to mitigate the negative impact of COVID-19 to our employees and our business," Pepsi makes clear, "the extent of the impact of the pandemic on our business and financial results will continue to depend on numerous evolving factors that we are not able to accurately predict." While Pepsi and its shareholders are riding high from increased profits, any hit to profits in the future will undoubtedly result in

severe job cuts and ever-greater exploitation of remaining workers.

The Frito-Lay workers entered the 10th day of strike Wednesday, after they rejected the fourth contract proposal brought to them by the Bakery, Confectionary, Tobacco Workers and Grain Millers (BCTGM) union. The striking workers are opposing poverty wages and brutal overtime schedules, including 12-hour, seven day-a-week schedules known as “suicide shifts.” The company has also cut off health insurance for all the striking workers in an act of retaliation and is seeking to bring in strikebreakers.

Frito-Lay workers have also endured unsafe working conditions during the pandemic and before. One worker told the *Topeka Capital-Journal*, “When a co-worker collapsed and died, you had us move the body and put in another co-worker to keep the line going.”

Frito Lay officials lambasted the union last week for failing to get the two-year contract passed for the fourth time. In a statement the company said, “That the union membership rejected this fully recommended agreement suggests union leadership is out of touch with the sentiments of Frito-Lay employees.”

In fact, the union told workers that they should not ask for any wage increases. The head of the BCTGM union Anthony Shelton makes more than \$288,502 a year in total compensation, over seven times the average wage of a Frito Lay worker who makes \$20 an hour. The BCTGM has agreed to concessionary contracts for years, including a wage cut in 2015 from \$20 an hour to \$15.54. Wage increases in previous contracts were well below the rate of inflation of 1 percent in the final year.

A worker told the WWS, “We all knew Pepsi was going to screw us over. We didn’t think the union was going to screw us over too. The union and Frito-Lay are resuming negotiations July 19 for another BS offer. It’s not going to be us at the negotiation table. I am interested in my brothers and sisters getting the best contract they can, but I doubt they can with the current executive leadership.”

Both the Teamsters and the BCTGM act as the representatives of corporate interests and are completely at odds with the interests of workers. The Teamsters imposed concessionary contracts on UPS workers in 2018, and most recently it imposed a contract on the Hunts Point warehouse workers in New

York with a \$1 an hour poverty wage increase during the height of the pandemic.

As with other logistics workers in Amazon, UPS workers condemned the conditions imposed on them by the Teamsters and the company last year as they endured unsafe working conditions with the spread of the COVID-19 pandemic in 2020.

For their struggle to be successful, PepsiCo and Frito Lay workers must take the struggle out of the hands of the so-called “unions” and take a cue from the courageous struggle of Volvo autoworkers in Dublin, Virginia, who have rejected a pro-company contract brought to them by the United Auto Workers for the third time. Underscoring the treachery of the corporatist unions, the UAW brought back the same contract for a re-vote Wednesday and then claimed it passed by 17 votes out of 2,369 votes cast before shutting down the five-week strike.

In opposition to what the BCTGM and Teamsters say workers should accept, based on what the companies say they can afford, a rank-and-file committee should formulate demands based on the actual needs of workers. This should include, at minimum, strike pay equal to the level of workers’ full income, paid out by the unions, to sustain their strikes.

Workers at PepsiCo and Frito-Lay must link up with the growing wave of strikes by workers at Volvo, the strike of St. Vincent nurses in Massachusetts, Warrior Met coal miners in Alabama and others against decades of wage stagnation and corporate attacks imposed by the pro-company unions on behalf of big business.

To get in touch with someone at the World Socialist Web Site to discuss forming a rank-and-file committee, Frito-Lay and Pepsi workers can email fritolayrfc@gmail.com or text (785) 816–1505.



To contact the WWS and the Socialist Equality Party visit:

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