Anger among Kellogg’s workers as work restarts following union betrayal of two-month strike

George Kirby, Tom Hall
28 December 2021

Kellogg’s cereal workers returned to work in the US on Monday following the betrayal of their two-and-a-half-month strike by the Bakery, Confectionery, Tobacco Workers and Grain Millers’ International (BCTGM) union. The union forced through a concessions contract, nearly identical to the one the 1,400 strikers voted to reject three weeks prior, allowing for the unlimited expansion of the use of lower-paid, second-tier “transitional” workers.

The contract was passed under dubious circumstances. Ballot counting took place, not in the local halls, but in the BCTGM headquarters in Maryland. The union released no vote totals, or even a percentage breakdown, leaving open the possibility that the contract was “passed” with the help of voter fraud. However, local officials claimed that the contract vote was close, with the plant in Battle Creek, Michigan, the lone holdout against the deal.

The balloting itself was carried out under the shadow of intensive online censorship by union-affiliated Facebook pages, which temporarily shut down entirely in the leadup to the vote, denying workers the possibility of discussing the contract with each other and with workers in other plants, or of campaigning for a no vote.

While management had threatened to fire workers *en masse* in revenge for their rejection of the first tentative agreement, instead—following a direct intervention by the Biden administration, which was anxious to avoid too open a confrontation—it relied upon the BCTGM bureaucracy to force through all of its demands. This was made clear in a leaked management e-mail, which bluntly explained that the economics of the new agreement were identical to the first, and added, “We are confident this will pass” because “most of the union’s negotiating committee is for this and plans to recommend it.” While the threat to fire workers received widespread media coverage and evoked popular outrage, the pro-corporate BCTGM maintained a near-total public radio silence, a clear indication that it too was determined to force through concessions.

Whatever the actual results of the vote were, any contract worked out and proposed under such conditions, in which both the company and the workers’ ostensible representatives conspired between themselves against the workers, should be considered null and void and, from a purely legal standpoint, unenforceable. Kellogg’s workers and workers at other companies must draw the lessons of this experience and develop new organizations, rank-and-file committees, to take their struggle out of the hands of the corrupt union bureaucracy.

Although the Kellogg’s workers’ Facebook groups have since been unlocked, workers report censorship of critical posts continues. In particular, the union is determined to maintain the absurd fiction that the contract eliminates a “permanent two-tier system.” The use of the word “permanent,” repeated again and again in public statements by the union and its supporters, is a sleight of hand, using the unobtainable “pathway” to the first tier under the new contract to cover for the removal of all caps on the number of second-tier workers the company can hire.

While management estimates that “most” current transitionals will graduate to the first tier after six years, longer than the length of the contract itself, the real length of time may be even longer given the way in which the size of each year’s number of “graduates” is defined as 3 percent of the total workforce. This means that, if management increases the fraction of transitionals that make up the workforce, they will have to wait even longer.

"You all keep deleting the comments that tell the truth about the two tier system," one worker said on a local Facebook page. "It is not gone. THERE IS STILL A TWO TIER SYSTEM. 4 year wait [sic] for transitionals to make the same as Legacy still."

Another worker denounced the wage increases in the new contract, consisting of a 3 percent increase for the first year of the deal and only cost-of-living adjustments in the final four years. "You would need a 21 percent raise just to make up for loss of wages for not being at work for 11 weeks, that's not including getting behind on bills or possible increased debt load from lack of income. It may be a win for the union, but the workers paid, and will continue to pay the price." A supporter of the strike commented, "The workers still will not get what is deserved and that's a shame."

Other workers report that their health insurance is still deactivated by management even though they have returned to work. One worker from Memphis, Tennessee, said, "We were told this morning that our insurance has not been turned on because they had to see who all returned. Once they have a list they will start the process of restoring our insurance, but it may take a few days. They sure can turn them all off at once."

A skilled tradesman in Lancaster, Pennsylvania, reported missing tools after returning to work, likely due to theft by scabs. While these tools were stored on site throughout, they are tradespeople's personal property. "I've lost about 5 screw drivers and a Milwaukee ratchet. And everything is dirty." He added sarcastically, "So basically the company paid another company to come in and steal and break stuff, [and leave] a mess? That's just good business."

Workers also face the danger of the rapidly spreading Omicron variant of COVID as they return to work. In each state—Michigan, Nebraska, Pennsylvania and Tennessee—where the four Kellogg's cereal plants are located, coronavirus cases are on the rise. The sharpest increase is in Tennessee, where the seven-day moving average has more than doubled from December 14 to 4,000 average daily cases. However, given the lack of reporting during the holiday season, the full extent of the spread will not begin to become clear until next week.

As rotten as the deal at Kellogg's is, the broader implications of the strike itself, as well as the inclusion of limited cost-of-living adjustments (COLAs) in the contract have produced anxiety in financial circles. This was expressed most openly in a *Wall Street Journal* editorial, "The Return of the Wage COLA," which pointed to the growing determination by workers at Kellogg's and elsewhere to fight for wage increases to offset the impact of rising inflation, currently the highest in 40 years at 6.8 percent. Referring to the danger of a "wage-price spiral," the financial newspaper warned, "COLAs ... force companies to pay for economy-wide price increases even if their own sales haven't kept up,"

The reference to a "wage-price spiral" is highly significant. It refers to the 1970s, the last period of high inflation in the United States, which saw the largest strike wave in the country since the immediate aftermath of World War II. This "spiral" was ultimately addressed by Federal Reserve chairman Paul Volcker, newly appointed by President Jimmy Carter, who triggered a recession by jacking up interest rates to 20 percent. The "Volcker Shock" a key episode in the emergence of the economic environment of the past 40 years, in which wages stagnated or declined as financial markets soared to new heights, while the trade union bureaucracy was transformed into an open agent of management.

However, while the Federal Reserve has announced a series of small, gradual interest rates over the course of the next three years, any move toward ratcheting up interest rates has considerable dangers for the ruling class itself, given the complete reliance of the financial industry on easy money guaranteed by a regime of low interest rates and money printing.