

# IAM calls for contract rejection after anger erupts over Boeing offer

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*Are you a Boeing worker? The WSWS wants to hear from you. Fill out the form at the end of this article to let us know what you think about the contract proposal, what your working conditions are like and what workers should be fighting for. All submissions will be kept anonymous.*

Facing a backlash from workers after management apparently leaked details of its “final” contract proposal, the International Association of Machinists (IAM) is recommending the rejection of a contract covering 2,500 St. Louis area Boeing workers.

The workers, who build military aircraft, had been working under a deeply concessionary seven-year contract extension, while the company raked in massive profits. While the union has not formally released details of the management contract proposal, posts on Facebook indicate the three-year deal contains raises far below the current 9.1 percent annual inflation rate.

The current agreement expires July 25 and the union has set a vote for July 24. Under terms of a one-week waiting period stipulated in the current agreement, workers would only be allowed to strike beginning August 1. A walkout at this plant would be a cause for deep concern for the White House and the US war machine. Boeing workers at the plant produce key aircraft for the US Air Force, including the F/A-18 and F-15 fighters.

In a statement dripping with hypocrisy, the IAM leadership, which has imposed one set of givebacks after another, declared, “The company failed to see the membership’s needs on various issues.” IAM District 837 President and Directing Business Representative Tom Boelling said: “We continued to work during the COVID-19 pandemic, putting ourselves and our families at risk to maintain production and ensure Boeing obtained the T-7 trainer and MQ-25 refueling

drone. We have fought and sacrificed over the years to make this company successful. It’s time Boeing returns the favor and treats us with the dignity and respect we’ve earned and rightfully deserve.”

The IAM action followed the unanimous rejection by 1,000 IAM members at Harley-Davidson in Pennsylvania last month of an agreement brought back by the union for ratification. The rotten agreement maintained the hated two-tier wage structure and imposed pay increases far below the rate of inflation.

In response to the IAM statement, Boeing said it remained “hopeful that our employees will see the value in this offer and vote yes” to accept its offer, which it claimed provides “highly competitive” wage increases and cash and stock immediately and also includes one of the “most lucrative” 401(k) retirement plans in the country.

But according to reports on Facebook, the Boeing offer included a 5 percent wage increase over three years and a \$3,500 signing bonus. Posts on Facebook indicated deep anger and a determination by workers not to accept the further destruction of their living standards. One posted: “They can afford to pay their workers much more than they do. Prepare to strike so you can get a better deal. 5% over 3 years is a joke. It's actually taking a pay cut. Inflation is up 10% per year. You'll basically [lose] 25% of the value of your wages... they just asked you to work for 25% less over the next 3 years.”

Another wrote, “Topped out tier 1 will get \$1.50 raise, \$1.16 raise and \$1.19 raise. So, for 10 1/2 years (2015 - 2025) Boeing can only afford to give their most valuable, knowledgeable and experience employees who worked through the pandemic...a \$3.85 cent raise. What a joke!”

Another wrote, “STRIKE, we have been underpaid

compared to other aerospace workers? And had retirement & health benefits diminished while paying more? How long will our membership accept these contacts?

“Strike today tomorrow & however long it takes? We can start talking at \$10.00 an hour raise across the board, or see another round of workers going to Lockheed, just like so many other times before..”

In 2014, the IAM used the threat of layoffs to ram through a seven-and-a-half-year contract extension that eliminated defined benefit pensions and replaced them with an inferior 401(k) plan. The contract also imposed a divisive two-tier wage structure, with top wages set at a reduction of between 8 and 49 percent of standard wages based on job classification, and also imposed higher out-of-pocket health care costs.

While workers took concessions, Boeing reported a 6 percent year-over-year increase in revenue to \$86.6 billion in 2013, with net earnings rising 18 percent to a massive \$4.6 billion.

More recently, Boeing has suffered losses due to the falloff of air travel during the pandemic, as well as the continued fallout from the grounding of its 737 Max commercial airliner over design flaws that led to two crashes. These problems have impelled the company to rely more on its lucrative defense contracts, reflected in Boeing’s recent decision to move its headquarters from Chicago to Arlington, Virginia, close to the Pentagon, the center of US war planning. Defense contracts accounted for half of Boeing’s \$62.3 billion of sales in 2021, and with the massive military spending increases pushed through by the Biden administration, the company is seeking to scoop up even more business.

Despite the decision by the IAM to recommend rejection of the Boeing offer, workers should have no illusions that the union plans to mount a serious fight to win a decent contract. Based on the unions’ nationalist and pro-capitalist program, workers are being pitted both nationally and globally in a never-ending race to the bottom to achieve the lowest wages and production costs.

In recent months, the IAM has sought to ram through contracts containing pay rises far below the current inflation rate at Southwest Airlines and Alaska Air. At defense contractor Eaton Corp. in Davenport, Iowa, workers struck for a month starting in February, twice voting down sellout agreements brought back by the

IAM. The IAM finally forced an end to the strike using the threat of the hiring of scab replacements to bludgeon workers, under conditions where the union had done everything it could to isolate the strike.



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