

Caterpillar workers in US gear up for 2023 contract battle

Marcus Day
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Work at Caterpillar? We want to hear from you: Fill out the form at the end to tell us about your working conditions and what you think workers should be fighting for.

On Friday, roughly 7,000 workers at Caterpillar are taking part in strike authorization votes in preparation for their upcoming contract fight with the global construction and heavy equipment giant. The six-year labor agreement between the United Auto Workers (UAW) union and the company expires on March 1.

Caterpillar workers are heading into a class battle that will prove to be of historic significance. After suffering decades of ruthless corporate cost cutting and attacks on their living standards—including round after round of concessions contracts imposed by the UAW bureaucracy—CAT workers are determined to finally score a decisive victory and secure major improvements to wages, benefits and working conditions, both for themselves and the next generation.

“As far as the contract goes, if it’s not right, my coworkers are willing and ready to go on strike,” a veteran Caterpillar worker in East Peoria, Illinois, told the *World Socialist Web Site*. “I definitely feel like now is going to be the time. Caterpillar is struggling to hire people in.”

Caterpillar workers are confronting a spiraling cost-of-living crisis, worsened by the increased health care costs and insultingly low-wage increases contained in the previous UAW-negotiated contract, which included just two 2 percent annual base wage increases over the six-year agreement.

In contrast to contracts over the past 40 years, however, Caterpillar workers are now entering into struggle amid an overall growth of strike activity and opposition in the working class internationally, from nurses, teachers and academic workers in the US, to rail workers and educators in Europe, metalworkers in Turkey, and beyond. Workers at CAT will find powerful allies among the hundreds of thousands of workers at Ford, General Motors, Stellantis, Mack Trucks and UPS who also have contract fights this year, as well as the tens of thousands of other Caterpillar workers in the US and globally.

It is crucial that Caterpillar workers immediately begin organizing to take control of their struggle and not wait for the UAW bureaucracy to inevitably bring back another pro-company contract. Rank-and-file committees should be established at every Caterpillar facility, so workers have a means to share essential information, communicate with each other, draw up demands based on what workers actually need and to mobilize support from broader sections of the working class.

Caterpillar has seen years of strong profits, derived from the intensifying exploitation of its global workforce. Since 2018, the company has handed over more than \$21 billion to its investors via

share repurchases and dividends. Top executives have been showered with tens of millions in stock awards and other compensation, with CEO Jim Umpleby alone taking in \$72.5 million from 2019 to 2021.

Reporting on the company’s third-quarter earnings last October, Umpleby repeatedly emphasized that Caterpillar continued to benefit from “robust” demand, with a backlog of orders and significant infrastructure spending globally thus far offsetting the broader economic slowdown.

The company’s third-quarter sales jumped to \$15 billion, a 21 percent increase compared to the same period last year, driven by strong “price realization,” i.e., price hikes, in Caterpillar’s equipment, which can run from six figures to well over \$1 million. Caterpillar’s stock price has defied the general downturn in the markets over the past year, rising 15.9 percent in 2022 and up 7.9 percent so far this year, hovering near an all-time high of \$260 a share in recent days.

During the earnings conference call with Wall Street analysts, Umpleby alluded to the substantial concessions extracted in the 2017 UAW contract and made clear the company’s willingness to aggressively pursue further cost cuts to defend its profits, stating, “The strategy we laid out in 2017 was a competitive and flexible cost structure. So we’ve demonstrated the ability to take action when we need to take action.”

The 2017 UAW-Caterpillar contract

The 2017 UAW-Caterpillar contract—which took place just a few months before the wide-ranging UAW corruption scandal first erupted into the open—was the latest in a series of sellout agreements foisted on Caterpillar workers by the pro-corporate UAW bureaucracy.

Among its major concessions to the company, the agreement:

- Approved the closure of the Aurora, Illinois, Caterpillar plant and the destruction of 800 jobs.
- Contained no base wage increase for workers hired before 2005, who have now not had a raise in nearly 20 years.
- Included only two 2 percent annual wage increases for post-2005 hires, plus “market-based wage increases” essentially determined at the company’s whim. Under conditions of surging inflation, all workers have thus experienced a substantial decline in real take-home pay.
- Moved workers on to the same health care plans as management, which saw premiums increase in the first three years of the contract.

When the UAW’s limited “highlights” of the deal began to leak out,

they provoked widespread opposition among workers, who had already suffered years of concessions, including the establishment of the wage and benefit tier system, the elimination of pensions and cost-of-living adjustments (COLA), and more.

The UAW apparatus delayed releasing the results of the ratification vote without explanation for nearly 24 hours, before declaring that the deal had “overwhelmingly” passed. While overall vote results were never released by the UAW, workers at the largest local, Local 974 in the Peoria, Illinois, area, voted against the agreement by 55 percent.

Underscoring the essential illegitimacy of the 2017 contract, the head of the UAW’s Caterpillar bargaining team that year was Vice President Norwood Jewell, who two years later would plead guilty for accepting bribes from Fiat Chrysler management. Jewell, who had also overseen painful concessions contracts at John Deere and Fiat Chrysler, was subsequently sentenced to a slap-on-the-wrist term in a white-collar prison, from which he was released early. Jewell was one of a dozen top UAW officials who were indicted for either accepting corporate bribes or embezzling workers’ dues money.

While some of the most blatant criminals and swindlers in the UAW’s upper echelons may have been removed, the UAW apparatus nevertheless remains under the tight grip of highly paid executives who are just as complicit in imposing concessions. Current UAW International President Ray Curry was one of the top three members of the 2017 UAW-Caterpillar Negotiating Committee that sanctioned the sellout contract. At the time, he was director of UAW Region 8.

Over the past year, Curry—as well as UAW Vice President Chuck Browning, head of the UAW’s Agricultural-Implement Department—worked to isolate and starve out the strike by workers at CNH in Iowa and Wisconsin. Despite the heroic determination and self-sacrifice of CNH workers, including voting down a “last, best and final offer” from the company after eight months on strike, the UAW apparatus succeeded in rushing through a vote on essentially the same contract just two weeks later. The contract expands the hated tier system by forcing new hires on to high-deductible health plans.

Build rank-and-file committees to win higher wages and reverse the concessions!

Caterpillar has long been notorious for its vicious and dictatorial treatment of workers, particularly for its use of aggressive strikebreaking tactics in the 1990s. More recently, the company has demonstrated its fundamental indifference to workers’ health and safety. An outpouring of shock and outrage was evoked among workers following the horrific death of Steven Dierkes at Caterpillar’s Mapleton, Illinois, foundry in 2021. Dierkes, who had only been on the job a few days, fell into a vat of molten metal, dying instantly of “thermal annihilation.” Dierkes was the second workplace fatality at the foundry in less than a year.

“I sure hope something gets done cause it’s getting really bad at work,” a worker at the Decatur, Illinois, Caterpillar plant told the WSW. “They’re doing anything possible to make sure our contract is not anything good. We need better benefits, retirement and pay increase of at least \$10 dollars an hour!”

“They’re making over-use of our hands and they know it’s bad for our nerves, but they keep making us do more,” the worker continued. “Medical knows about it and keeps it under the rug so other people

don’t know about it. I know quite a few people that have problems with their hands and it’s never reported to us the possibility of damage it’s doing to our bodies!”

“I’m sick of Cat! They’re nothing but a greedy bunch of a-holes!”

There can be no doubt that Caterpillar management—and behind them, the company’s large Wall Street investors—are determined to extract new cost savings at workers’ expense. In the midst of an accelerating economic slowdown, the ruling class everywhere is seeking to impose the burden of their crisis onto the backs of workers, through attacks on jobs and wages and the enforcement of ever-more onerous working conditions.

Caterpillar has already made clear that it is planning to take a hard line with workers. The company has devoted a section of its web site to compiling a litany of threats against workers in the event of a strike, including the use of supervisors and replacement workers as scabs, and the termination of workers’ health care coverage.

Workers must prepare by organizing themselves and formulating a strategy of their own, one which is based on the uncompromising defense of workers’ independent class interests.

Over the past two years, a growing rebellion has erupted by workers against the pro-corporate UAW bureaucracy. During strikes at Volvo Trucks and John Deere in 2021, workers repeatedly voted down concessionary contracts endorsed by the UAW by overwhelming 90 percent margins. A significant factor in the defiance of Volvo and Deere workers, and their determination to ensure their needs were met, was the formation of rank-and-file committees, which countered the lies and propaganda of the company and UAW executives, and appealed for support among broader sections of workers.

In the UAW’s national elections last November, Will Lehman—a Mack Trucks worker and candidate for UAW president—called for the expansion of rank-and-file committees to every workplace, in order to transfer power to workers on the shop floor and abolish the corrupt UAW apparatus. Lehman won substantial support from CAT workers in the first round of voting, which was marred by the deliberate suppression of votes by the UAW bureaucracy.

Rank-and-file committees at Caterpillar will provide the means for workers to democratically discuss and put forward demands based on what workers actually need, including a 50 percent wage increase to make up for years of wage stagnation, the restoration of COLA to protect against inflation, major improvements to health and retirement benefits and working conditions, and more. These committees will also provide the framework for CAT workers in the UAW to link up and coordinate with their brothers and sisters at other Caterpillar plants, whether unionized or not, in the US and in other countries.

The WSW will provide Caterpillar workers every assistance possible in organizing their struggle. To discuss initiating a rank-and-file committee, contact us today.



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