

What's at stake in the Caterpillar workers' struggle

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Nearly 7,000 Caterpillar workers in the US, members of the United Auto Workers union, will be voting next weekend on a tentative agreement for a new six-year contract, announced by union officials shortly after the midnight expiration of the previous contract on March 1.

The deal would entail a massive attack on workers' real wages. Caterpillar, the UAW bargaining team and the corporate media have all sought to cover this up, touting wage increases totaling 19 percent over the life of the six-year contract and attempting to present the agreement as exceedingly generous.

However, as the Caterpillar Workers Rank-and-File Committee explained in a statement calling for a rejection of the contract, the raises average out to just over 3 percent a year and are far below what is needed to keep pace with, let alone exceed, the surging costs of food, energy and other basic necessities.

US annual inflation is currently running at 6.5 percent, and workers' health premiums would also rise 2 percent annually in the contract. Even assuming that inflation does not rise further, this means that workers will be making about 20 percent less in real wages at the end of the contract.

Moreover, the heavily taxed signing bonus and other lump sum payments included in the contract would not increase workers' base pay, and thus would do little to offset the cost-of-living crisis.

In other words, workers would suffer a further major deterioration of their living standards if the contract is forced through. This assessment, it must be pointed out, does not even take into account other likely concessions, since the UAW has thus far only released a few pages of contract "highlights" which attempt to present the deal in the best possible light.

Given the enormous profits reaped by Caterpillar in recent years (\$7.9 billion in 2022 alone, a 15 percent increase from the year before; billions handed to investors each year), many workers may be asking themselves: Why is the company refusing to budge?

A ruling class policy

The key to an understanding of management's intransigence lies in the examination of the explosive state of class relations in the United States, as well as the predatory geo-political aims of US imperialism.

The US ruling class, like its counterparts in other countries, has profited from a decades-long suppression of wages, enacted with the assistance of the ever-more corporatized union bureaucracies. At Caterpillar, starting wages for new workers in the most common pay grades currently range between \$17 and \$20—the same or barely more than they were in the early 1990s, which would be worth \$37-\$44 in today's dollars.

The corporate and financial elite are well aware that their policies have produced a social powder keg. Anger within the working class and broad sections of the population, already pent up for decades over growing inequality and deteriorating working conditions, has reached a boiling point over the course of the pandemic. Those sitting in corporate boardrooms are terrified that any major breakthrough by a section of workers would ignite a powerful movement in the working class which would be beyond their ability to control.

On the line are not just Caterpillar's own private profit interests, as rapaciously as they defend them. Behind Caterpillar stands a broader ruling class policy. The US corporate and financial oligarchy are determined to make workers pay the costs of the capitalist economic crisis, as well as the cost of the war in Ukraine and preparations for war against China.

One prong of this strategy has involved the Federal Reserve and other major central banks rapidly raising interest rates, with the primary aim of driving up unemployment and thus suppressing workers' ability to demand higher wages.

At the same time, the US ruling elite has dramatically escalated the proxy war against Russia in Ukraine, seeking to inflict a strategic defeat on the country and open up its resources and markets to unrestricted exploitation by American and European firms. In pursuit of this objective, massive sums of money have been deployed: In 2022, Congress allocated over \$113 billion towards military armaments and other aid to

Ukraine.

The conflict with Russia is seen as the prelude for an even more decisive showdown with China. In January, a memo leaked by US Air Force General Michael Minihan predicted that the US would be engaged in war with China by 2025, ordering his subordinates to begin implementing detailed preparations. The *New York Times* reported Sunday on extensive training exercises conducted by US Marines in California to simulate fighting against China within the first island chain surrounding the country.

The role of Caterpillar in the US military

Caterpillar itself is a significant component of the US military-industrial complex. As such, the ruling class and its political representatives see it as critical to maintain “labor discipline” at the company.

In a brochure for its defense industry operations, the company writes, “Caterpillar Defense is the world’s foremost supplier of earthmoving equipment, engines and power generators for government agencies and military forces.” In a 2017 press release by its defense arm, Caterpillar boasted that the US government was its largest customer, quoting World War II General George Patton, “If forced to choose between tanks and bulldozers for an invasion, I’d take the road-building equipment every time.”

Caterpillar has received defense contracts worth over \$2.5 billion over the past decade. In both 2013 and 2017, the company was awarded contracts estimated at over \$600 million. In November 2022, CAT was again awarded a five-year military contract for construction equipment, with the amount this time doubling to nearly \$1.3 billion. The Defense Department announcement noted that military branches receiving CAT equipment included the Army, Navy, Air Force and Marine Corps.

In its marketing materials targeting the defense sector, the company highlights its global network of parts distribution centers: 5,200 parts distribution workers globally; parts hubs on six continents; and the vast majority of orders shipped the same day. In other words, dealers and service centers (as well as the military installations and contractors they serve) are highly dependent on the rapid turnaround of parts shipments for repairs.

As a veteran Caterpillar worker explained to the *World Socialist Web Site*, “Caterpillar has perhaps a unique vested interest in war apart from the obvious producers of military hardware. Caterpillar is a military contractor that produces parts for various killing machines. But as a heavy construction equipment manufacturer the real gold mine for them is in the clean-up and reconstruction after the devastation. Additionally,

if the country, region is rich in, oh, say natural gas, Caterpillar makes the generator sets that the fracking and other extraction industries rely on to exploit those resources. So twice to thrice over, Caterpillar profits fantastically.”

A significant driving factor behind the relentless and reckless military escalations of the US ruling class, which threatens to spiral into nuclear war, is its desperate effort to subvert social tensions and class conflict at home, and channel them outwards against a foreign adversary.

The nationalist, pro-capitalist trade union bureaucracies, including the UAW, are critical tools in this process. Throughout his presidency, Biden and the Democrats have sought to utilize the union bureaucracies as a means of blocking strikes, throttling wages below inflation and suppressing the class struggle.

The effort to subordinate workers to a false “national interest” was epitomized in last year’s struggle of rail workers, in which the rail union bureaucracies coordinated with the Biden administration and the companies to try to push through contracts far from what workers were demanding. When workers rebelled, the White House and both the Democrats and Republicans moved with near-unanimity to pass legislation banning a strike and imposing the contract framework workers had rejected.

But the ability of the ruling elite and their adjuncts in the union bureaucracies to hold back the class struggle is rapidly wearing out. A combative mood is growing in the working class, including among over 150,000 autoworkers in the Big Three US auto corporations and hundreds of thousands of UPS workers, who also will see their contracts expire this year. Strikes and protests are erupting on a near-daily basis internationally, from France and the United Kingdom to Sri Lanka, driven by anger over attacks on pensions, wages, jobs and workers’ democratic rights.

The battle CAT workers are entering into involves far more than just a contract, as important as that is. Their fight is part of a developing international movement in the working class, which is being given the most conscious direction by the International Workers Alliance of Rank-and-File Committees, a network of democratic, militant, rank-and-file workers’ organizations internationally. The critical task is to fuse the growing struggles against low wages and poor working conditions with the struggle against imperialist war and its source, the capitalist system.



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