

# Unions force through casual labor contract at Harley-Davidson

**Gary Joad, Tom Eley**  
**17 September 2010**

Workers at Harley-Davidson's motorcycle plants in Menomonee Falls, near Milwaukee, and Tomahawk, Wisconsin this week approved massive concessions demanded of them by the United Steel Workers of America (USW) and the International Association of Machinists and Aerospace Workers (IAM).

The concessions are staggering. They include a seven-year wage freeze, sharp increases in workers' contributions to their health care coverage, and the creation of a "sub-tier" of seasonal or casual workers who will receive no benefits whatsoever and earn starting pay of \$16.80, about half what current workers make.

These "lower tier" or "casual employees" can be terminated without cause, and will be offered no job security or even a minimum number of work hours. They will have no right to either bonuses or wage increases. Of course, this new category of workers will still be required to pay dues to the USW and IAM.

The unions joined hands with Harley-Davidson in a campaign to intimidate workers prior to the vote, telling them that their jobs would be relocated to the US South if they did not approve the concessions. But even with the contracts' approval, management plans to go ahead with layoff of at least 25 percent of the 1,000-person workforce in Menomonee Falls, and about 75 of the 275 jobs in Tomahawk by the end of 2012.

The new contract includes no guarantees for job protection, meaning that the company will have a vested interest in replacing longer-standing workers with the new low-paid casual workers.

Harley-Davidson is in the midst of a major restructuring to return to profitability after losses of \$55 million last year, compared to the \$1 billion in profits it recorded in 2006. In addition to the layoffs in Menomonee Falls, the company is shuttering another

factory in Milwaukee and has eliminated positions at its corporate headquarters in the city.

The new Harley-Davidson contract demonstrates that the pattern established by the Obama administration in its "restructuring" of General Motors and Chrysler—layoffs and massive wage and benefits concessions—will be repeated nationally throughout the manufacturing sector and beyond. As was the case in the auto industry, the so-called unions are no less determined than management to force concessions on the workers.

Workers are increasingly cognizant of this. At the Menomonee Falls plant Harley workers only narrowly approved the contract brought to them by USW Local 2-209. The vote was 620 in favor and 500 against, despite the scare campaign spearheaded by union officials. At Tomahawk in rural north-central Wisconsin, USW members voted 218 to 80 for the contract agreement.

Workers who voted "yes" for the contract did so solely out of fear for their jobs. "I am too young to retire and too old to start over," said assembly worker Jill Huffman.

Workers who voted "no" did so out of principle and pointed out that Harley-Davidson did not promise to stay in Wisconsin even with approval of the agreement. The Associated Press quoted Mary Dexter, 58, a worker with 10 years experience, as saying, "It was like, 'Take it or leave it.' Well, then, adios. See ya."

Greg Voelzke, 52, who also voted "no," said, "We came to battle today, not for victory, but to fight another day."

The company and the union helped secure the vote by essentially bribing workers—some of them already laid off but eligible for recall—with lump-sum cash payments upon majority approval of the contract:

\$12,000 to workers in Menomonee Falls; \$1,000 in Tomahawk.

The much larger cash offering in Menomonee Falls was related to the settlement of a previous grievance, suggesting that the unions also collaborated with management by tying the release of the money to the “yes” vote. As many as 460 laid-off workers were eligible to vote in Menomonee Falls. These workers have little prospect of ever returning to full-time employment, making the \$12,000 lump-sum payment all the more tempting.

In addition to forcing far-reaching concessions on its workers, Harley-Davidson won tax giveaways from the state. The Wisconsin Department of Commerce weighed in with a “very aggressive and competitive” package of tax concessions for the company to remain in the state, thereby seeing to it that the working class will pay at least twice to “retain” the Harley jobs.

The role of the USW and IAM in blackmailing workers and driving down wages demonstrates that they are in no way workers’ organizations, but rather agencies of the corporation. Like the factory owners and financiers, the unions now view workers as raw material for exploitation.

To defend their most basic interests, workers will first of all have to drive these rotten unions out of their plants and workplaces and form their own independent worksite councils to coordinate industrial and political action in their factories and beyond.



To contact the WSWS and the Socialist Equality Party visit:

**[wsbs.org/contact](http://wsbs.org/contact)**