

# Illinois Caterpillar workers discuss London, Ontario lockout

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More than 400 railway locomotive workers in London, Ontario, are past the tenth day of a lockout imposed by Caterpillar, owner of the Electro-Motive Diesel (EMD) engine and equipment brand. Caterpillar is demanding a 55 percent wage cut, along with a steep rise in health care payments, and has shut down production at London to force the changes.

Caterpillar has two other large facilities in the United States tied to locomotive production. The historic location of Electro-Motive production is La Grange, Illinois. There, the builder originally developed reliable designs that dieselized a large portion of the North American rail network in the post-war era. The huge campus built tens of thousands of freight and passenger locomotives for both domestic and export use, as well as parts.

The London, Ontario, plant is where nearly all locomotives are now assembled. It was originally the Canadian subsidiary of EMD. In the 1980s, EMD began to face stiffer competition from rival General Electric and sought to downsize. It moved all locomotive assembly to the 75-percent-smaller London plant by the early 1990s, reducing the La Grange workforce from 14,400 in 1979 to a just a few thousand. Nearly from its inception, EMD was owned by General Motors, which pushed through further downsizing until the company was sold to a private equity firm in 2005, and then to Caterpillar in 2009.

Much of the original La Grange complex has been demolished. At present, it carries out engineering, engine production, and other smaller operations. Several hundred workers at the engine plant produce

EMD's long-developed line of diesel engines for both the rail and marine markets, including all the engines used in locomotive assembly in London.

Workers at the engine plant who recently spoke with the *World Socialist Web Site* expressed solidarity with locked-out London workers, while also describing unease with their own working conditions.

Ted, 45, has worked at La Grange for 7 months. "I'm concerned about the situation in our plant because our contract expired in September," he said. "We do not know what's going on. The UAW and EMD/Caterpillar are in negotiations. I have no idea what's going on behind the scenes. We've been working under conditions of the old contract since then."

A veteran employee described how Caterpillar's offer of a new contract had a \$5,000 signing bonus—and beneath that, heavy concessions. It was "their first and only offer," the worker said.

José, who has been at the plant for six years, described the declining working conditions as EMD has been tossed around between owners. "I started here slightly after GM owned this plant. Workers in GM made more than \$20 an hour, or more. I started at \$14 an hour and now make \$16. My benefits under EMD were much less than what workers in GM were making."

Expressing sympathy for workers in Ontario, José said: "I feel for the workers in Ontario, especially with living costs going up. I have a family of four, and prices of everything keep going up. It's not easy for us. If workers can get locked out there and their wages cut in half, it can happen here too. "

The WSWS also spoke with a worker named Jimmy. “It’s all about the stockholders, dollars and cents,” he said. “That’s what Occupy Wall Street’s about. People everywhere are getting fed up. We’ve been trying to get people to union meetings, but people aren’t showing up. A lot of these guys come from non-union backgrounds.”

Carlos, a worker of six years, added, “I don’t think it’s right what happening with the Canadian workers in London. It could easily happen here to us.”

Ted also noted that La Grange workers were in a similar situation to London workers. “If they shut down and lock out workers in Ontario, what’s going to happen here?,” he asked. “I was a sprinkler fitter in Local 281 and we went on strike. I ended up unemployed after that. I’m from the construction industry, where increasingly we go a couple weeks on a job and are unemployed for many weeks after that.”

“In Muncie , Indiana, they’ve taken major pay cuts and now work for \$12 an hour,” Ted continued. “If it happens in Canada and Indiana, we could see the same things happen here. I haven’t seen the management take pay cuts. Are they taking pay cuts? These corporations like Caterpillar are making billions of dollars, and they make us take cuts.”

Muncie is where Caterpillar began full locomotive assembly in late October 2011 under the banner of “Progress Rail.” The town, formerly a center of auto production and other high-paying industrial jobs, has lost upwards of 12,000 jobs over the last decade. The official unemployment rate is near 10 percent, but in reality it is closer to 18 or 19 percent. Some 4,000 homes in the small city lie abandoned.

Caterpillar received tax incentives from local government to convert a large Muncie facility and begin locomotive production. The firm clearly sought the location for its desperate job market as well, which allows it to offer skilled welding positions at \$12.50 to \$14.50 an hour.

Yet there are reportedly difficulties with getting sufficiently skilled, specialized staffing. New freight locomotives in the North American market cost upwards of \$2 million , and workers in London have told of the high levels of skill and experience needed to construct such sophisticated equipment. So far, Muncie’s output is a fraction of what the London plant

can currently produce, though the Muncie facility is actually larger. Nevertheless, there is suspicion that Caterpillar intends to move all locomotive assembly to Muncie if London workers resist attacks on their living conditions.

Caterpillar is seeking out the lowest-cost labor even at the risk of stalling production and losing orders. At other points in the last decade, Electro-Motive—under both Caterpillar and other ownership—has contracted some assembly work to other locations, including Mexico.

The various unions involved are working to reinforce the nationalist competition that Caterpillar promotes, rather than unify the workforces.

A La Grange worker, Ziggy, said, “I don’t know enough about what’s happening to the workers there, but I sympathize with them.” Indeed, the UAW is not making an effort to inform the workforce. No mention is made on the UAW web site of the lockout in London. For their part, the Canadian Auto Workers makes no appeal for American workers to come attend a rally in defense of the locked-out London workers.

Despite this, La Grange workers indicated that a delegation of workers from this plant is planning on going to London, Ontario, to support the workers there. One of the workers told us that they expect a turnout of thousands of people.



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