

UAW holds one-day strike at Indiana auto parts plant

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After working for more than a month without a contract, 760 workers at the Lear Corp. plant in Hammond, Indiana walked out on strike Saturday morning. The United Auto Workers union, which had resisted any action despite a strike authorization vote by workers last month, called off the strike Sunday, announcing it had reached a tentative agreement for a new five-year contract.

At the heart of the conflict is the two-tier wage system. Most workers at the plant make as little as \$11 an hour or “fast-food wages” as they describe them, even though they perform the same duties as older, first-tier workers making up to \$20 per hour. Wages for second-tier workers are capped at \$16 per hour and they also have fewer health benefits.

The Hammond plant manufactures seats for Ford Motor Company’s assembly plant in neighboring Chicago. Although a continued strike would have quickly crippled production of Ford’s Taurus and Explorer models, the UAW ended it before operations at Ford or other Lear facilities were seriously affected.

None of the workers at Lear’s 23 other seating, electrical and technical facilities in the United States were called out. All told, the giant manufacturer operates 221 manufacturing facilities in 36 countries across the globe, manned by 113,400 employees, according to its web site.

Workers wrote to complain on the Facebook pages of the Lear local that the Chicago Ford plant was still operating with parts from the struck plant, and that the Ford workers were not notified by their UAW local that the Lear workers were on strike.

UAW officials called the strike a stunning success although details will not be made public until after the deal is ratified in a vote expected next weekend. Jaime Luna, UAW 2335 president, stated Sunday, “The

agreement shows that when workers stick together, we can win higher wages that help us support our families. The agreement is a victory not just for the 760 workers at our plant, but for thousands of auto workers across the country who do the same hard work we do and want to be able to reach the middle class.”

Without giving details, Luna said, “The agreement ends the system that locks newer workers into lower wages, paving the way for all Lear workers to get ahead and provide for their families.” The only detail he gave reporters was that the top wage under the new agreement would be \$21.58 an hour.

The UAW first agreed to the two-tier system in a deal with Detroit automakers in 2003. It was expanded to cover a greater percentage of workers in the “transformational contract” signed by the UAW in 2007 and then became standard for all new hires during the Obama administration’s forced bankruptcy of General Motors and Chrysler in early 2009.

The UAW imposed two-tier systems in the parts industry even earlier after the betrayal of a series of strikes in the 1980s and 1990s, including at Delphi. The lowering of wages in the auto parts industry was the deliberate policy of the UAW under its corporatist program of making the Detroit automakers more “competitive.”

Lear workers are particularly angry because the company is reporting records sales and earnings. This quarter, the company reported \$839 million in earnings, an increase of 10 percent. For its part, Ford set a record this year at \$2.04 billion in quarterly profits, projecting \$8 billion in profits for 2014.

Five years after the restructuring of the auto industry and six years after the global financial crash, corporate profits have reached new highs, as has the stock market, while workers’ household income has

plummeted 12 percent over the same period (see: “The collapse of household income in the US”). Wages have fallen to the lowest percentage of the GDP since World War II.

The miserable conditions in the auto parts industry—low wages, backbreaking speedup, long hours—is the direct product of the decades of betrayed strikes and collaboration with management by the UAW. The UAW has repeatedly boasted that wage levels have been reduced so low that GM and other companies are shifting production from Mexico, China and other low wages countries back to the US. This is in line with Obama’s “in-sourcing” policy.

Just this year, the UAW installed Dennis Williams as its president. As chief negotiator with Caterpillar in the early 2000s, he signed some of the UAW’s first two-tier wage contracts. Facing widespread anger from rank-and-file workers, particularly after imposing a 25 percent dues increase at its constitutional convention in June, Williams has postured as an opponent of the two-tier system, saying he wants to “close the gap” in next year’s negotiations with GM, Ford and Chrysler.

The token strike called by the UAW in Hammond is part of the efforts to contain the opposition of ever more rebellious workers who largely look at the UAW with contempt. UAW officials are also concerned about the loss of millions of dollars when contracts with the Detroit automakers expire next year and auto workers will no longer have dues deducted from their paychecks under “right to work” legislation enacted in states like Michigan and Indiana.



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