

Autoworkers denounce UAW lies about ending two-tier system at Indiana plant

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As contract negotiations begin between the United Auto Workers and the Big Three auto companies, autoworkers should take a warning from the outcome of last year's one-day strike at the Lear Corp. seating plant in Hammond, Indiana, and the treacherous role of the UAW.

Increasingly fed up with the two-tier system and decades of falling wages, workers at the Hammond factory authorized a strike late last summer by 96 percent. More than 500 of the plant's 760 workers were second tier, earning, as they said, "fast food" wages starting at \$11 an hour and topping out \$16, even though they performed the same work as older workers making up to \$20 an hour.

On September 13, workers at Lear went on strike. The Hammond factory produces seats for vehicles assembled at the nearby Chicago Ford Assembly plant, and because of Ford's "just-in-time" production process, the strike at Lear had the potential to quickly halt production there. Within a day, however, the UAW shut down the strike, announcing that a tentative agreement had been reached.

The UAW—along with much of the media—boasted that the settlement eliminated the two-tier at Lear. At the time, Local 2335 President Jaime Luna said, "The tide is turning for auto parts workers ... 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."

Jerry Dias of the Canadian Unifor union, formerly the Canadian Auto Workers, claimed further that the Lear contract "sends the signal, and there's no question, the UAW is being very proactive and progressive."

However, it would soon emerge that this was all a total fabrication.

In reality, the UAW had agreed to the reclassification of 310 positions as "subassembly." Nearly 200 of the former second-tier workers would be transferred to a new facility 20 miles east in Portage, Indiana, with about another 100 drawn from CSG, a contractor for Lear.

Starting wages remained \$11 an hour at the start of the contract, and would now be capped at \$15.25—less than the \$16 an hour it was previously.

The UAW cynically claimed that it had upheld the principle of "equal pay for equal work," because the new third tier of workers would perform different duties.

Tim DiDonato, Lear's senior vice president of human resources, boasted that the subassembly category was a "breakthrough," adding, "That is a whole different rate that makes us economically competitive ... This contract was well within our budget."

For those workers remaining at the Hammond plant, the top wage was increased from \$19.97 to \$21.58 per hour by the end of the four-year contract. The roughly 2 percent annual raise essentially constituted a freeze in real wages when inflation and the rising cost of living were calculated.

DiDonato also indicated at the time that the UAW had conceded to speed-ups, stating they "agreed to a lot of language that makes us more productive."

Lear additionally received over \$1.3 million in tax breaks from the state of Indiana and the city of Portage to open its new facility.

On the basis of its increased exploitation of workers, Lear's first quarter profits in 2015 jumped 20 percent compared to a year ago, from \$122 million to \$147.3 million.

Lear has used this wealth—extracted from workers' labor—to shower its executives and wealthy investors

with dividends and inflate its share value with stock buybacks. Cash dividends were raised 25 percent for the first quarter, and the share repurchase authorization was increased to \$1 billion.

Reporters for the *World Socialist Web Site* recently spoke with workers at the Lear Hammond plant. When asked what he thought about the UAW's claims that the contract ended the hated two-tier system, one worker said bluntly, "They really screwed us over good on this one."

Another worker said the UAW's claims were "Far-fetched. Yeah, definitely, cause I still feel like it's two-tier. We've got two plants now, and they switched the pay rate. Here we're supposed to go to like \$21.58 in four years, and over there, they top out at \$15. So, I believe it's still two-tier.

"A lot of people got switched around. Like I was on second shift, straight nights, and now I'm on third shift, a swing [morning and night] shift. They split a lot of people up.

"What I didn't like about after the strike is they knew for a whole year about the Portage plant, and they didn't mention it to anybody until a couple months beforehand."

Describing the speed-ups that have been imposed under the new contract, he said, "It's a lot more fast-paced. They're really pushing us hard to get the seats out now for some reason. I don't know if it's just Ford or what. Right after the contract they started hammering us."

Many workers at nearby Ford Assembly in Chicago have learned about the betrayal at Lear and have also expressed disgust at the claims of the UAW. One worker told the WSWS about the contract, "Oh my god, that was a joke, that was a total joke. That's something that's embarrassing, when you realize that the UAW was behind that.

"They said they were getting rid of two-tier, but then they reclassify people as subassembly, open the plant in Portage, and what's the difference? That proves to you how uncommitted the UAW is to getting a fair deal here.

"The UAW is medieval at best. It's something that's outdated."

UAW President Dennis Williams has said he wants to "bridge the gap" between tiers in its current negotiations with the Big Three, well aware of the

widespread anger building up among autoworkers. At the same time, Williams has signaled his willingness to accept a new third tier of "non-skilled" or "sub-assembly" workers at General Motors, Ford and Fiat Chrysler plants, earning as little as \$10 an hour. This would be accomplished through the automakers bringing in-house some of the work currently done by auto parts suppliers.



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