

Air conditioner maker Carrier to close two Indiana plants, slash 2,100 jobs

Steve Filips
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Heating and air conditioning manufacturer, Carrier, announced last week that it would close two manufacturing plants in Indiana and eliminate a total of 2,100 jobs. Its plant in Indianapolis with 1,400 workers will begin phasing out its operations in 2017 and close in 2019, while a second plant with 700 workers in Huntington, just southwest of Ft. Wayne, will be closed in 2018.

Carrier—a division of the giant defense manufacturer United Technologies—is planning on moving production to Monterrey, Mexico. A YouTube video released last week, which has gotten over 3 million views, shows workers at the Indianapolis plant erupt in anger after a company spokesman announces the closures.

To the shouts and denunciations of workers, the manager tells them the move is necessary to “maintain high levels of product quality at competitive prices and continue to serve the extremely price-sensitive marketplace.” He adds callously, “This is strictly a business decision.”

Carrier’s parent company, United Technologies, made \$15.6 billion in profits in 2015. Its CEO Gregory Hayes, whose predecessor walked away with a \$195 million golden parachute, made \$9 million last year. Hayes announced a ruthless cost-cutting plan at the end of last year including “reducing the manufacturing footprint in the U.S. and Europe, [that] will result in \$900 million of annual savings when it’s done,” according to Bloomberg News.

“You taking away from this community by taking this job, this plant away,” Dominique Anthony, a Carrier employee for 13 years at the west side facility told the local news channel WISHTV. “I have almost 16 family members that work at Carrier. We have to tell our whole family that we have lost our jobs to feed our families,” he said.

In his final remarks, captured on the YouTube video, the company spokesman says the decision to close the plants is “subject to discussions with our local union representatives.” In 2014, United Steelworkers (USW) Local 1999 negotiated a four-year contract with Carrier that introduced sweeping concessions, including a two-tier wage system. Currently, a quarter of the factory’s workers make only \$14 an hour, nearly half the \$26 paid to older workers.

USW officials claimed they were “blindsided” by the plant closing decision. “It was devastating to hear, and it was not anticipated at all,” USW Subdivision Director Wayne Dale told Indystar.com. In any case, the USW is sure to use the announcement in an effort to extract further concessions from workers in the name of “saving” jobs.

The USW and local Democratic Party politicians responded to the closure announcements with calls for economic nationalism and protectionist measures. They blamed “unfair trade agreements” for the closures, suggesting that Mexican workers, to whom Carrier will pay as little as \$3 an hour, are essentially stealing “American jobs.”

In a statement on its Facebook page, USW Works declared, “This is the harsh reality of what bad trade deals are doing to the working class. 1400 jobs at Carrier Corp. are being sent to Mexico under the guise of ‘strictly a business decision.’ We need to stand together and let our legislators know that we will not stand for this anymore!” USW officials are calling for a boycott of “Mexican-made” Carrier air conditioners.

The closure “is a fine example of unfair trade bills,” added Jared Evans, a Democratic city councilman in Indianapolis, “which allow American companies, who were built on American backs [sic] to move good paying jobs overseas.”

Both Bernie Sanders and Donald Trump have also sought to divert social anger over the destruction of jobs and falling living standards behind American nationalism. In every case, the aim of the unions and the big business politicians is to conceal the fact that it is the capitalist profit system, not “unfair trade,” that is responsible for the destruction of jobs. Above all they want to prevent US workers from uniting with their brothers in Mexico and other countries in a common fight against the global corporate conglomerates.

In fact, the policy of the unions and the Democratic Party is “insourcing,” i.e., the reduction of US labor costs to such a low level that global corporations are enticed to relocate their operations from China, Mexico and other low-wage countries to the US. The president of the USW, Leo Gerard, sits on Obama’s corporate competitiveness board where he discusses with Fortune 500 executives how to slash labor costs and boost productivity. On this basis, the USW has blocked any struggle of workers—including workers facing brutal wage and benefit cuts at US Steel and ArcelorMittal—while sabotaging struggles when they do break out, including last year’s oil refinery strike and the five-month lockout of ATI steelworkers.

The claims of “economic recovery” made by the Obama administration are belied by plant closures and mass layoffs, which only intensify what is already unbearable inequality. The closures will have a particularly devastating effect on Indianapolis, which saw the closures of the GM stamping plant in 2011 and its Navistar foundry and truck engine plant in June 2015. Both occurred after the United Auto Workers forced wage and benefit concessions on workers.

As part of his economic “stimulus package,” Obama’s Energy Department granted Carrier a \$5 million federal tax credit in December 2013 to “expand production at its Indianapolis facility to meet increasing demand for its eco-friendly condensing gas furnace product line.”

The United Technologies business strategy has been growth through mergers and acquisitions in industries that are as diverse as Carrier heating and air conditioning, which was bought in 1979, to Pratt and Whitney aircraft engines. They were often followed by plant closures and the relocation of production to lower-wage states or countries to inflate profits.

The Carrier plant in the east Texas city of Tyler was

shuttered in 2013 with the loss of 1,200 jobs. Production was also moved to Mexico.

Carrier also announced additional layoffs at its parts warehouse in Syracuse, New York. Once the largest manufacturer in the Syracuse area, with over 7,000 workers at its manufacturing and research and development facilities in DeWitt, New York, a suburb of Syracuse, Carrier has nothing left but its parts warehouses in the area.

In 2004, Carrier halted manufacturing in DeWitt, laying off the 1,200 remaining workers. In September of 2009, Carrier announced it was eliminating 140 of 245 workers at the two remaining parts warehouses. In January 2015, the company announced the layoff of another 62 of those workers.

The International Association of Sheet Metal, Air, Rail and Transportation Workers union Local 58 has offered concessions totaling \$4 an hour to keep the warehouses operating in Syracuse. Carrier declined the offer and stated the average wage of \$16.61 needed to be reduced by \$8 in order to retain the jobs in Syracuse.

In each case of layoff and closure the sheet metalworkers union has been a reliable corporate “partner” and blocked any worker resistance to the destruction of jobs. Like the USW, it has scapegoated workers in other countries.



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