

Honeywell locks out workers in New York and Indiana

Philip Guelpa
11 May 2016

Workers at Honeywell Aerospace plants at Green Island in Albany, New York and at South Bend, Indiana were locked out by the company without warning on Monday, May 9 after they rejected the company's "best and final offer" on a new contract. The previous contract had expired on May 3.

Workers report that the company's offer included a miserly 2 percent wage increase, plus cuts in pensions, retiree and active worker health care coverage, a shift to a high-deductible health care plan and the elimination of personal time. The company is also demanding the ability to subcontract work, which workers fear will lead to the loss of existing jobs. The offer included firm numbers for only the first year.

South Bend workers overwhelmingly rejected the proposed contract by 270 to 30.

A statement by Honeywell made it clear that the company intends to use the stagnating world economy to drive down workers' wages and benefits in order to maximize profits. "A lot has changed in the five years since we last bargained with the union and our proposals reflect the need to address those changes to be successful in an aviation industry that, globally, has seen more than 30,000 layoffs in the last year alone ..."

The company stated that it was seeking "cost savings" after its largest customer, Boeing, announced in March the layoff of 4,500 workers by June.

Workers at both plants are members of the United Auto Workers. Instead of organizing a strike following the rejection of the contract proposal, the union kept workers on the job, allowing the company to prepare for the lockout. Honeywell has brought in scabs in an attempt to continue operations at both plants.

Honeywell Aerospace is the world's largest manufacturer of aircraft engines and other components. It averages \$10 billion in annual revenues from both

defense and commercial contracts. The aerospace division is part of a huge conglomerate, Honeywell International, the product of decades of mergers and acquisitions.

The company is highly profitable. Over 10 years, its stock priced has quadrupled to \$115 per share. Last month, the company's board authorized a \$5 billion stock buyback. Its CEO, David Cote, was paid over \$33 million last year. Early this year Cote cashed in \$36 million in stock options. He reportedly has a \$168 million pension.

Honeywell is a major donor to political campaigns. In 2014, its political action committee made contributions of nearly \$8 million.

The UAW has allowed a plant-by-plant vote on proposals similar to those rejected by the workers at Green Island and South Bend. Against this giant corporation, which can move jobs across the country or around the world, such actions are aimed at isolating workers and pitting them against each other—a tactic the union has employed at auto companies as part of its close collaboration with corporate management.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact