

Deal to “save” Indiana Carrier plant will cut 1,100 jobs

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President-elect Donald Trump and Vice President-elect Mike Pence will appear Thursday at the Carrier heating furnace factory in Indianapolis, Indiana to announce a deal to retain jobs at the facility, which was scheduled to begin downsizing next year and completely close by 2019.

Last February, workers erupted in anger when managers informed them at a plant meeting that the factory would be closed and production moved to Monterrey, Mexico, threatening 1,300 jobs at the plant and another 700 at a facility in Huntington, near Fort Wayne, Indiana. The action was being taken “strictly for business reasons,” the company spokesman said.

Posturing as a defender of workers and seeking to divert anger over job losses in an anti-Mexican direction, then-presidential candidate Trump told the company that, if elected, he would impose a 35 percent tariff on any products Carrier shipped back to the US.

In a Twitter post Tuesday night, Carrier officials wrote, “We are pleased to have reached a deal with President-elect Trump & VP-elect Pence to keep close to 1,000 jobs in Indy.” According to a report in *Fortune* magazine, up to 1,300 jobs will still be transferred to Mexico, including those of at least 300 workers in the fan coil division in Indianapolis. All 700 workers in Huntington will lose their jobs when the plant closes.

Jeff, a Carrier worker, told the *World Socialist Web Site*, “I hope it is only 300 jobs they are taking, but I’m thinking it will be 400 lost in Indy.”

Workers expressed concerns about additional pay cuts, but hoped that the company would have difficulty reopening the four-year labor agreement it signed with the United Steelworkers union in April. “The last two contracts we’ve given up plenty of concessions—even creating a three-tier wage scale. They weren’t moving because they were losing money, they were leaving for pure greed,” Jeff added.

While Trump supporters and local Democrats, including US Senator Joe Donnelly, have hailed the deal as proof that the president-elect will stand up to companies to defend “American jobs,” the deal is a boondoggle for Carrier and its parent company, United Technologies Corporation (UTC).

On Thanksgiving, Trump met with UTC’s chief executive Gregory Hayes and told him the federal tax changes and deregulation the incoming administration was committed to enacting would save UTC more than the \$65 million per year it would get by shifting production to Mexico, where workers are paid \$6 an hour in wages and benefits.

It is also likely that Trump promised that UTC—a major defense contractor—would receive more lucrative military contracts during his presidency. UTC’s Pratt & Whitney division makes engines for the F-35 jet fighter and received a \$1.03 billion government order last April.

In this, Trump would be following the advice of Vermont Senator Bernie Sanders, who penned an open letter to the president-elect last week calling on Trump “to make it clear to the CEO of United Technologies that if his firm wants to receive another defense contract from the taxpayers of this country, it must not move these plants to Mexico.”

The combination of federal and state tax cuts, increased military contracts and corporate deregulation evidently convinced the UTC boss that keeping some operations in Indiana was the “patriotic” thing to do.

In a statement released Wednesday, Carrier said, “Today’s announcement is possible because the incoming Trump-Pence administration has emphasized to us its commitment to support the business community and create an improved, more competitive US business climate.” The statement went on to say that the deal “in no way diminishes our belief that the forces of globalization will continue to require solutions for the

long-term competitiveness of the US and of American workers moving forward.”

In other words, more wage and benefit cuts, layoffs and speedup are coming.

The extent of any wage and benefit concessions included in the deal is not yet known. A spokesman for United Steelworkers (USW) Local 1999-07, which had already signed a plant-closing and employee severance agreement, told the *World Socialist Web Site* that the union was not involved in the negotiations with the president-elect. Union officials will reportedly meet with Trump and Pence Thursday morning before the two men visit the plant.

The USW, however, has already agreed to a series of wage and benefit concessions. Under the current four-year contract signed last April, new-hires under “Appendix B” receive \$14.50 to \$19.47 per hour, depending on their job classifications, compared to \$19.50 to \$26.75 for workers hired before 2011. It is likely that Carrier will give severance packages to more senior, higher-paid workers so they can replace them with Appendix B workers.

While several Carrier workers posting on their Facebook page expressed relief over the announcement, many were suspicious of the deal.

One worker said, “Folks are praising him for keeping their jobs. To me, no one is safe until they explain what jobs are secure! I don’t trust Carrier. When the contract is up, will they just lock the gates on the employees?”

She added, “The middle class gets stuck paying higher taxes, the employees will pay a price for these jobs to stay. Don’t get me wrong. I am very happy for those that keep their jobs. But I have trust issues thinking this is going to run smooth and not have wage cuts.”

The deal reportedly includes nearly a million dollars a year in state tax cuts for Carrier. As governor of Indiana, Pence showered hundreds of millions of dollars in corporate tax cuts and other subsidies on General Motors, Carrier and other firms. These giveaways have been paid for through savage budget cuts in public education and other services, and attacks on teachers and other public sector workers.

Pence has also used the lowering of manufacturing wages and benefits, facilitated by the USW, the United Auto Workers and other unions, to lure companies to the state, where the average factory worker makes \$24,000 a year, four percent lower than the national average.

Indianapolis has been devastated by wave after wave of factory closings, including the 2010 shuttering of a General Motors stamping plant as a result of Obama’s

restructuring of GM, and the closing of truck manufacturer Navistar’s foundry last year. Bearing manufacturer Rexnord recently announced it would close its plant in the city next year, wiping out another 300 jobs.

Trump exploited the deep discontent in so-called “Rust Belt” states like Indiana, Wisconsin, Ohio and Pennsylvania to win the presidential election. Many workers, including those who voted for Obama in 2008 and 2012, backed Trump because Clinton and the Democrats expressed nothing but contempt for workers whose lives have been ravaged by deindustrialization, wage cuts and increased health care and pension costs.

The decades-long promotion of economic nationalism by the unions, echoed by Bernie Sanders during the election campaign, left workers susceptible to Trump’s anti-Mexican and anti-Chinese propaganda.

Workers will soon come to realize that the billionaire real estate mogul has no answer to the social crisis. On the contrary, he is assembling a cabinet of billionaires, including his designated commerce secretary Wilbur Ross, who oversaw the destruction of the jobs, wages and pensions of hundreds of thousands of coal miners, steel workers and auto parts workers.

“Trump’s bringing in opponents of Medicare and there are a lot of workers here who rely on that,” a General Motors worker at a nearby Indiana plant said. Referring to the Carrier deal, he added, “Corporations never bestowed anything out of the goodness of their hearts. A lot of workers who voted for Trump are going to get hurt. The key thing that got Trump elected was the economy. Workers were angry about the foreclosed houses, the factories bulldozed down.

“Years ago I would come out of an election and think, ‘Now it’s time to unify and work for the good of the country no matter what your party.’ Now, I look at this whole election process as the two parties of the ruling class working for the same thing—like Obama said, an ‘intramural scrimmage’ on the same team. I think we peons are going to wake up to this.”



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