

# Closure of Milwaukee Master Lock plant exposes dead end of UAW's nationalist "insourcing" strategy

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*Work at Master Lock? We want to hear from you: Fill out the form at the end to discuss forming a rank-and-file committee to defend jobs or share your thoughts.*

Workers and local residents have reacted angrily to the decision by Master Lock to close its 100-year-old plant in Milwaukee, Wisconsin. The shutdown is a further heavy blow to a city already deeply scarred by poverty after decades of deindustrialization.

The company issued a brief statement on May 24 saying it would close its Milwaukee plant by March 2024, impacting some 360 hourly workers at the facility. Master Lock said it planned to consolidate production to other US and global facilities, as well as at external suppliers.

Fortune Brand Innovations, the current owner of Master Lock, is a highly profitable conglomerate, with some \$7.7 billion in annual sales. Fortune Brands CEO Nicholas Fink takes home roughly \$10 million in annual compensation.

Master Lock manufactures combination locks, padlocks and other security devices. The company was founded in 1921 in the Milwaukee suburb of Oak Creek with just five employees. It gradually expanded and by the early 1990s had about 1,300 workers at its Milwaukee operations.

Shortly after the closure announcement, the United Auto Workers International posted a Facebook statement full of nationalist demagoguery, attempting to divert workers' anger against their class brothers and sisters in Mexico.

UAW Region 4 Director Brandon Campbell wrote in the statement, "The announced closing of MasterLock is one more cut to American workers that stems from our horrible trade agreements. In the 1990s, the

company fired about 1,000 workers when they moved work to Mexico so they could exploit workers there, in the name of more and more profits."

He ended with a pathetic plea for management to "come to the table" with the UAW "so collectively they can continue their legacy of manufacturing in the industrial Midwest for 102 more years." Inevitably such discussions, if they ever come to fruition, will involve squeezing more production and profits off the backs of workers.

The announcement of the closure of Master Lock in Milwaukee is an object lesson in the bankrupt nationalist and pro-capitalist program of the UAW bureaucracy. For decades, the union apparatus has forced through endless concessions aimed at offering up American workers as a low-wage alternative to workers in countries such as Mexico and China. The result has been a drastic lowering of the living standards of American workers and the destruction of hundreds of thousands of jobs in auto and other basic industries.

The experience of workers at Master Lock is a case lesson. In 2012 Master Lock invited President Obama to visit the Milwaukee plant, following the company's decision to bring back a fraction of the jobs it had previously outsourced. In 1999 Master Lock, under the ownership of Fortune Brands and Security, had moved most operations at the Milwaukee plant to Mexico and China, resulting in the loss of approximately 1,154 jobs. In 2009, the UAW bureaucracy agreed to a deeply concessionary, five-year contract to begin the process of "insourcing" jobs back into the plant.

According to the UAW, wages at the plant currently average \$20 an hour, a near poverty-level wage under

current economic conditions.

Obama's highly touted 2012 visit to Master Lock came in the midst of his 2012 presidential reelection campaign. A major campaign theme was the promotion of his plan for "insourcing" production jobs from overseas to the United States. Corporations would be enticed to bring jobs back by slashing the wages and benefits of US workers, while driving up productivity and lowering corporate taxes to make investment more attractive compared to China and other low-wage areas—with the UAW and other union bureaucracies acting as willing partners in these anti-worker attacks.

Speaking at the plant, Obama gloated, "When Master Lock looked at their numbers," the president said, "they saw that union workers in America could do the same job at competitive costs as nonunion workers in China."

In 2008 the UAW had agreed to an agreement at Master Lock that began the process of insourcing. The contract instituted a "pay for knowledge" scheme that rewarded workers for completing certain training courses at the local technical college. While the UAW claimed the deal did not impose a wage cut, starting pay at the time was an abysmal \$13 an hour.

Only one year later, the UAW agreed to devastating concessions as part of the forced bankruptcy and restructuring of the auto industry under the Obama administration. The 2009 Big Three agreements slashed the pay of new hires by 50 percent, ended traditional pensions and vastly expanded the use of low-paid temporary part-time workers with few benefits and no contract rights. As part of the deal, the UAW signed off on the elimination of some 30,000 jobs.

The results were predictable. The auto companies have been raking in bumper profits over the last decade while the real pay of autoworkers has been slashed and working conditions further eroded. In the meantime, many of the same UAW bureaucrats who oversaw the concessions have been indicted and sent to prison in a vast corruption scandal involving the payment of corporate bribes and the outright theft of members' dues.

Speaking to a *World Socialist Web Site* reporting team in 2012, a worker at the Milwaukee Master Lock plant said, "There used to be 1,300 workers here. Now there are 380. We're supposed to be happy with a handful of jobs? The ones hired are making \$3 less an

hour and instead of having to pay 10 percent of their health care costs they are paying 25 percent. The UAW has gone along with all of this."

The company's Milwaukee plant is one of the few factories left in the Sherman Park neighborhood, a predominately African American area that has been devastated by decades of deindustrialization. In 2015 the neighborhood exploded in anger over the police killing of 23-year-old Sylville K. Smith. In response, then-Wisconsin Governor Scott Walker, a Republican, put National Guard troops on standby.

Between 1960 and 2010 the city lost three-quarters of its manufacturing jobs, heavily impacting black workers, who suffer one of the highest unemployment rates in the US. The employment rate for white workers has also declined sharply.

At one point in the early decades of the 20th century, Milwaukee was known as the "Machine Shop of the World." In recent decades the Democratic Party and the trade unions have presided over a massive decimation of jobs and living standards in Milwaukee and other former industrial centers.

The reality of the "insourcing" strategy has been a years-long attack on wages, working conditions *and* jobs, as workers in the US are pitted against workers in other countries in a fratricidal race to the bottom. In the present, the corporations, the political establishment and the UAW bureaucracy are preparing even greater attacks in the auto industry and beyond, under conditions of an accelerating economic crisis and the resurgence of class struggle.

The defense of jobs cannot be conducted by the pro-capitalist and nationalist union bureaucracies, nor by the big business-controlled Democratic or Republican Parties, but only by mobilizing the power of the working class through the construction of rank-and-file factory and workplace committees, uniting workers across plants, industries and national borders. We encourage Master Lock workers interested in forming a rank-and-file committee or sharing their experiences to contact the WSWs.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**