

Indiana Lear auto parts workers to vote on strike action, after rejecting UAW sellout deal

Marcus Day
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Are you an autoworker? We want to hear from you: Fill out the form below to tell us what you think about the UAW's tentative agreement at Lear, what your working conditions are like, and what you think workers should be fighting for. We will protect your anonymity.

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Nearly 1,000 auto parts workers at the Lear Seating plant in Hammond, Indiana are set to vote Monday and Tuesday on whether to authorize strike action after overwhelmingly voting to reject a poverty-wage contract backed by the United Auto Workers union last Sunday. The deal was rejected by 314-18, a 95 percent margin, in the latest expression of a growing rank-and-file rebellion against the pro-corporate UAW apparatus.

Workers at Lear, like workers at Ford, General Motors, Stellantis and throughout the auto and auto parts industries, are determined to reverse years of eroding wages and concessions previously imposed with the assistance of the UAW bureaucracy. The contracts for 150,000 Big Three autoworkers in the US expire on September 14, and for another 20,000 autoworkers in Canada on September 18.

Lear, headquartered in Southfield, Michigan, is a major global supplier of automotive seating and electronic systems, employing nearly 150,000 hourly workers around the world.

As with the major automakers, Lear's management is insisting on further intensifying the exploitation of workers even as the company reaps gigantic profits.

On August 1, Lear announced record sales of \$6 billion from May to July, an increase of 18 percent from the same time last year, beating financial analysts' estimates. The company is forecasting EBITDA (earnings before interest, taxes, depreciation,

and amortization, a common measure of profitability) of \$1.6-1.7 billion in 2023, an increase of more than 60 percent from 2020.

The company has funneled the vast sums extracted from workers' labor towards its top executives and the financial aristocracy. The company repurchased \$63.1 million worth of stock in the first six months of the year and has authorized up to \$1.2 billion in repurchases through December 2024, boosting the wealth of its richest shareholders. The company has also lavished hundreds of millions of dollars in dividends on its investors in recent years.

Meanwhile, it has awarded its top management with massive pay packages. CEO Ray Scott received \$43.4 million between 2020 and 2022. Scott's 2022 compensation was 1,719 times the median employee's pay, according to the company's own proxy filing.

Senior Vice President and Chief Financial Officer Jason Cardew (2022 compensation, \$5.1 million) told financial analysts earlier this month that the company is restructuring to "optimize capacity, improve efficiencies and lower labor costs." In other words, Lear is seeking to wring even more profit out of workers through speed-up and the suppression of workers' wages.

The contract Lear workers in Indiana rejected would have raised starting pay for the lowest-paid workers from \$15.50 to just \$17 at ratification, a poverty wage below what many fast food workers make in nearby Chicago.

The previous contract had been scheduled to expire in August 2022, but it was extended with the UAW's agreement by a year. The extended contract was set to expire August 11, meaning workers will be kept on the job past its expiration before the UAW even will have held a strike vote.

A worker at Lear told the WSWWS that workers at the plant were only given “highlights” of the proposed contract on the day of the ratification vote last weekend, contradicting the claims of new UAW President Shawn Fain to be implementing “transparency” and democratic reforms in the union. While claiming to be preparing a fight against “corporate greed” at the Big Three, Fain has said nothing about the rejection of the UAW’s pro-company agreement by workers at Lear, nor has the UAW International headquarters issued any statements about it.

Top local UAW officials “told everyone they support the contract,” the worker said.

Workers angrily confronted the local leadership over the terms of the deal at the ratification vote, the worker said. “The day we voted, everyone was getting up angry when they opened for questioning. A few were yelling out ‘strike.’”

Workers were livid when they learned that UAW was holding the strike vote in the plant’s breakroom, a highly unusual move. It was “a big deal,” the worker said. “People were yelling at our president for holding the strike vote in the plant.”

The Lear factory supplies seats for Ford’s Chicago Assembly Plant on a “just-in-time” basis, meaning any strike at Lear would quickly disrupt production at Ford’s factory. In 2020, Ford was forced to idle operation when Lear workers in Hammond carried out wildcat work stoppages at least two times over the spread of COVID-19, defying demands by UAW officials to continue production despite the risks of infection.

There can be no doubt that the UAW apparatus is seeking to buy time, defuse anger and desperately avoid a strike, while continuing to engage in closed-door talks with the company over how to impose its demands.

In 2014, the UAW lyingly claimed that it had “eliminated tiers” at the Lear Hammond plant after calling a one-day weekend strike, timed to have the least impact on Ford’s production. In fact, it was soon revealed that a new, lower-paid tier of “sub-assembly” workers had been created and moved to a different plant. The two tiers would be later brought under one roof when Lear opened a new plant in Hammond in 2019.

In a bellwether for the opposition among autoworkers

which would later erupt in the 2019 national GM strike, workers at Lear twice defeated UAW-backed concessions contracts in 2018. The UAW ultimately rammed through a third, virtually identical deal by a supposedly razor-thin margin of less than 1 percent.

Workers at Lear are in an objectively powerful position. During the company’s quarterly earnings call with investors, CEO Scott admitted to analysts that the company was struggling to hire workers, facing “challenges of getting labor in an efficient manner within our facilities and just the training of that labor.”

To ensure their struggle is not betrayed by the UAW bureaucracy once again, it is necessary for Lear workers to take the initiative themselves and develop structures under their control. A rank-and-file committee should be organized, which would allow workers to draw up a list of demands based on what they need, such as the real elimination of all tiers, inflation-busting wage increases for both newer workers and veteran workers, cost-of-living raises, and more.

A rank-and-file committee at Lear would allow workers to link up with the growing Autoworkers Rank-and-File Committee Network and mobilize support from workers at Ford Chicago, workers at other Lear plants, and throughout the auto industry.



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