

## Auto's Crisis Viewed Through the Lens of One Plant: The Death of NUMMI

By Barry Sheppard

DURING THE 1980-82 recession, U.S. automobile corporations were closing factories, reflecting growing international competition and overproduction. One of the plants closed was a large General Motors facility in the city of Fremont, California, part of the San Francisco Bay Area.

This factory was reopened in 1984, in a deal between Toyota and GM. They formed a new corporation, New United Motors Manufacturing, Inc. (NUMMI). Toyota held 70% of the company and GM the rest, with management largely from Toyota.

On March 31, 2010, NUMMI, the only remaining West Coast automobile assembly plant, shut down, leaving 4,700 UAW members without jobs. This will have a cascading effect, beginning with 21,000 jobs in California's parts supplier plants. NUMMI's website estimates a total of 50,000 auto jobs across the country will be lost as a result of the plant closing, with some estimating even higher.

UAW workers at NUMMI do not have the right to transfer to other GM plants. As for Toyota, Fremont was the only location where Toyota workers were in the union. Workers from UAW Local 2244 will have to get jobs in other industries, often with lower wages and benefits and worse working conditions, when they are able finally to find work.

Peter Goodman, writing in the February 21 *New York Times*, reports that long-term unemployment (more than six months), has risen to the highest level since records were first compiled in 1948. Under the headline "Despite Signs of Recovery, Chronic Joblessness Rises," he writes:

*Economists fear that the nascent recovery will leave more people behind than in past recessions, failing to create jobs in sufficient numbers to absorb the record-setting ranks of the long-term unemployed. Call them the new poor: people long accustomed to the comforts of middle-class life who are*

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*now relying on public assistance for the first time in their lives — potentially for years to come.*

In mass media-speak, "middle class" means workers with better jobs, often in unions, like the former NUMMI workers. Perhaps GM has learned an important lesson in setting up separate entities. GM officials claim that their new Brownstown, MI, battery-pack assembly plant for electric cars is a subsidiary and therefore did not need to use laid-off GM workers. In fact, it began its operations without unionized workers at all. GM's plans for an electric motor facility in Baltimore, MD will also employ new hires rather than laid-off GM workers.

Tim Higgins, *Detroit Free Press* writer noted in his March 13 article "GM Brownstown electric car workers may see lower wages," that the workers have "fewer job classifications and more flexible work rules than in other GM plants" and make about \$12 an hour with few benefits.

When NUMMI was first formed, the company agreed to recognize the former United Automobile Workers Local 2244 from the old GM plant. Union contracts with NUMMI over the years were some of the best in the area. Although work on an assembly line is hard work — and many new hires find they can't take it — the wages and benefits, especially health care, made it an attractive job. NUMMI's health care provider was Kaiser Permanente, and better than other plans in the Bay Area.

The work force was diverse, including African Americans, Latinos, Asians and other minorities. Many women were hired. In fact, white males were the minority.

When GM went bankrupt last year, part of its reorganization included shutting plants, including pulling out of NUMMI. Then Toyota made the decision to close.

Undoubtedly, Toyota chose to close NUMMI because it was the only union shop among all Toyota plants in the country. Toyota's strategy has been to build its plants in the largely non-union South and keep the UAW out by providing the same or better wages as UAW members working at the Big Three — although without union job protection or some of the UAW's benefits.

The NUMMI closing is another big blow to workers in California, who are experienc-

ing an official unemployment rate of 12%.

It is often said that California is ahead of the rest of the country, setting new trends in culture and lifestyle. Now California is once again the vanguard, this time in slashing social services. Although almost all states are in dire financial straights, California's deficit is enormous. In spite of massive cutbacks to education and other social services, the deficit is projected to be \$20 billion, and since that is based on a rosy projection of the economy, that will balloon.

### How the UAW Became Weak

Before discussing the response of UAW Local 2244 leadership at NUMMI, it would be useful to look at what has happened in the UAW nationally over the past two plus decades. All national leadership belongs to the Administration Caucus, which has controlled the union since the late 1940s. At the time of the Chrysler bailout (1979-81), the leadership accepted concessions as necessary to "save jobs" and preserve the union for another, better day.

Not a single job has been saved by these policies. In fact the concessions have accelerated. By 2007 contracts with the Big Three established a permanent two-tier system, dividing production workers between new hires (often only with "temporary" status) and those already on the job. Wages for new hires were cut in half, from an industry level of \$28 per hour to \$14, with no hope of ever reaching the higher tier. Benefits and working conditions were also on the chopping block.

The 2009 bailout of General Motors and Chrysler was another opportunity for the companies to demand a reopening of the contract. Under the agreement signed by the companies and the Obama administration, unionized auto workers had to become "competitive" with the nonunion sector. The companies and the UAW leadership then came up with a no-strike pledge until 2015 and bullied the membership into rubber stamping this concession.

Over the years there have been attempts to counter the concessions policy of the Administration Caucus. The broadest occurred when Jerry Tucker, assistant director in UAW Region 5, challenged this policy by mobilizing locals in work-to-rule cam-

paigns that won contracts the leadership did not believe possible. But instead of adopting Tucker's strategy, they used their power to destroy the New Directions caucus and drive Tucker from office.

My late companion, Caroline Lund, worked at NUMMI for 15 years before her death in 2006. When she hired into NUMMI there were two caucuses in the Local, the Administration Caucus and the People's Caucus. One leader of the People's Caucus, Richard Aguilar, was a member of New Directions nationally, as was Caroline. Although the Administration Caucus held the majority



*Caroline Lund at work in plastics department.*

of the Local's offices, Aguilar was Chairman of the Bargaining Committee. In 1994 the company tried to cut health care benefits, and, against the wishes of the Administration Caucus, he led a strike when the contract expired at midnight. The night shift workers streamed out of the plant into the union hall across the street. Within two hours management capitulated. (As a rank-and-filer Caroline worked closely with Richard in preparing the strike.) This was the only strike in NUMMI's history.

Since the Administration Caucus kept workers in the dark, Caroline began to publish her own plant newsletter, "The Barking Dog," in 1998 to provide information to coworkers. It took up defense of workers against company attacks and criticized the leadership when it failed to defend the membership. "The Barking Dog" had a press run of 1,000 and was widely circulated within the plant.

Top management first tried to suppress "The Barking Dog" when it criticized some of the company's anti-worker measures. They were taken aback when they learned that U.S. labor law, won by the union movement's struggles, protected such material.

The Local's Administration Caucus leadership also attempted to suppress the newsletter when it criticized them. In fact, they threatened to sue Caroline for libel. However, they ran into a buzz saw because Caroline fought back by publicizing their threats and they were forced to retreat. Partly as a result of this fight, in 2000 the membership elected Caroline, who ran as an independent, to the executive committee as a Trustee against both caucus candidates.

"The Barking Dog," with its independent voice, helped set the stage in 2003 for the electoral defeat of the Administration Caucus. The Peoples Caucus broadened and Caroline found she was able to work with the new leadership.

She continued to put out "The Barking Dog." One of the tasks Caroline set for herself was to work with others on the Local's newsletter committee to revitalize it from the fluff it published to one that ran pro-worker articles.

When, in 2005, the company again tried to attack health care and other benefits, the Local fought back. They organized demonstrations in front of the plant with a big banner spread on a bridge crossing a major freeway in

the Bay Area. This let motorists know what management was up to and was publicized by TV news. Management was sensitive to this publicity because it had long touted itself as labor-friendly, claiming that workers had a say under the "team" concept.

Both "The Barking Dog" and the Local newsletter talked up in the plant the need to be ready to strike. As the deadline for the contract's expiration approached, a couple thousand workers signed up for picket duty. At midnight Caroline and I were at the union hall, and there were still hundreds signing up. The contract was extended hour by hour, as negotiations continued. Then it was announced that the company had capitulated, to the cheers of the workers.

But in the recent period, faced with an increasingly aggressive management and a national union leadership that preached concessions, the Local's leadership lost its way. When the editor of the Local newsletter, Leticia Quesada, openly criticized in its pages alleged financial irregularities, the leadership shut it down in May, 2009.

A new election was called. To the top leadership's consternation, Leticia was reelected editor. Consequently they ditched the newsletter. In the midst of the crisis, when there is need for discussion, the leadership kept the ranks completely in the dark about the impending plant shutdown.

### **A Floundering Union**

Toyota offered each worker remaining on the job until March 31 a "retention bonus." These range from \$20,000 to a high of \$70,000 for a very few. Workers viewed this as severance pay. As NUMMI workers sought to clarify their situation, they found the leadership without answers on such important questions as what will happen to their pensions, medical coverage or other benefits. However on March 17 workers did get to vote on the retention package, and approved it. I've been told by a Local leader

that pensions would probably be taken over by the government (and slashed). Everyone expects their health plan to expire.

At a recent union meeting, furious members shouted down the chairman of the bargaining committee. The near riot was filmed by a worker on his cell phone and was distributed and frequently replayed over youtube.

Meanwhile, Leticia Quesada, after unsuccessfully attempting to raise the issue of top Local leaders allegedly lining their pockets with union funds, filed charges with the Department of Labor. As a result, the DOL subpoenaed the Local's books.

What did the leadership, both locally and nationally, put forward as a strategy to keep the plant open? They organized a "boycott Toyota" campaign! They even got the AFL-CIO to endorse it, and held a demonstration in front of the Japanese Embassy in Washington, DC.

Appealing to a crude American nationalism to pressure the company to keep the plant open was utterly ineffective, indeed, ridiculous. It has also provoked anger among NUMMI workers, who wonder why GM was left off the hook. There is the suspicion that the Local leadership is kowtowing to the national Administration Caucus, which has maintained a cozy relationship to GM.

Furthermore, a "boycott Toyota" campaign will not sit well with the thousands of nonunion U.S. auto workers in Toyota's plants. A strategy to save the NUMMI plant would also have to keep in mind the need to organize Toyota's other autoworkers.

What's happening to UAW Local 2244 unfortunately provides a glimpse of the labor movement nationally. At a time of economic crisis, the official leadership continues to retreat. The solidarity that has existed among generations of auto workers has been threatened by devastating concessions. Through the lens of looking at the shuttering of the NUMMI plant we can see how deep the crisis has become for auto workers and the labor movement.

Although "The Barking Dog" is no longer produced, there are still voices in opposition to plant closures and more concessions. They are found on autoworker websites today (Soldiers of Solidarity, Factory Rat and Autoworkers Caravan, but there are undoubtedly others).

Ford workers turned down a no strike agreement by 83%, a feat no one thought possible! And now workers at the Delphi plants that have been brought back under the GM system have been told they are standalone facilities and must vote for more concessions in order to keep their jobs. Against the advice of their "leadership," on April 2 the GM parts plant in Grand Rapids, MI voted the reopener down almost two to one. §