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In Motor City, Anger Yields to Pragmatism

UAW Acknowledges New Forces at Work

By [Dale Russakoff](#)
Washington Post Staff Writer
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DETROIT -- The signs in the parking lot of United Auto Workers Local 22 still blare the defiant 1980s warning, "Union Made American and Canadian Cars Only." But inside the hall, the conversation has turned strikingly philosophical. In the wake of General Motors' buyout and retirement offers last week to its entire unionized workforce in America, workers and their local leaders spoke with jarring realism about the global forces converging on them.

"In ways, we brought it on ourselves," said George McGregor, vice president of Local 22, which proudly advertises its lineage from the militant 1930s local of legendary UAW president Walter Reuther. "When TV and stereos went overseas, did we say: 'Don't let them go?' I tell people to buy American cars and they say, 'Where are your clothes made? When my job went overseas, where were you?'"

No one needs to explain the lessons of globalization to the 113,000 GM hourly workers now pondering their futures. More than half started working in the 1970s, before the rise of foreign competition and high technology. Over three decades, they watched the twin forces upend their industry, their jobs and their sense of security. "We know more about globalization than the globalization people," McGregor said on Friday. "We've lived it."

The buyout and retirement offers symbolize dramatic acknowledgment by the company and the union of their diminished place in the 21st-century U.S. auto industry.

"Do you think Dick Shoemaker [the UAW vice president for GM], one of the best negotiators the union has ever had, wants to go out on an end note like this?" asked Craig Nothnagel, president of Local 22, who started on a Cadillac assembly line 38 years ago, when he was in high school. "No, he doesn't."

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"It pays to belong," says the awning behind GM auto worker James Williams, left, and UAW Local 22 officers Gary Wilson and George McGregor. (By Gary Malerba -- Special To The Washington Post)

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But he negotiated a way out for all of us. Left to GM, they could push us out with nothing. UAW made sure we had a choice."

The UAW negotiated the deal with GM and its parts supplier Delphi, which is under bankruptcy protection and was moving to impose 60 percent wage cuts on union workers through a bankruptcy court. Such a cut would almost certainly have triggered a strike and a catastrophic chain reaction--shutdowns of Delphi and GM, and possibly a GM bankruptcy that would jeopardize not only jobs but the health care and pensions of hundreds of thousands of retirees.

The agreement could help avert a strike if enough high-cost workers accept the offer and leave both companies. Delphi could then hire new workers at lower wages already negotiated with the union. And General Motors could proceed with already announced plans to eliminate 30,000 jobs and close 12 plants. GM told industry analysts that the company expected to exceed that goal with the buyout.

Even as the UAW's ranks are shrinking, foreign automakers such as Kia and Toyota -- whose U.S. plants are non-union -- have vastly expanded. The foreign automakers pay comparable wages and benefits for active workers, in part to ward off unions, but they do not have the staggering retiree benefits of the Big Three. GM, for instance, has 2.5 retirees for every active worker.

Critics of the UAW fault it for insisting on these benefits. Until last fall, retirees didn't even have a copay on their health care. The union says the problem is that GM hasn't designed cars people flock to buy, causing its market share to plummet.

Among the predominantly middle-age men and women of Local 22 emptying out of the immense Cadillac and Buick assembly plant on General Motors Boulevard on shift change last Thursday, there was more pragmatism than anger about the reshaping of their world. "It doesn't make me angry," said Andy Butterworth, who at 48 has worked 30 years for GM. "The global market has dictated this. The Kias and China are just blasting away at us. It's time for management and the union to get together."

In another century, Butterworth followed his father into GM right out of high school. "That's how it worked back then: No tests, just come to work," he said. The Big Three had the U.S. market essentially to themselves, and the UAW had clout to insure workers shared the wealth. Now, Butterworth said, he will likely take the retirement offer, which for him includes \$35,000 cash, along with a \$3,000 monthly pension and health benefits for life.

Even with college tuitions yet to pay for two children, he said, he has saved enough from 30 years as a United Auto Worker -- by far the highest-paid workers in American manufacturing -- to provide for his family. And if necessary, he can fall back on the builder's license he got during a long layoff -- training paid for by GM.

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