

Labor Trouble at Cruze plant and GM Indianapolis a Sign of Deeper Discontent

Automotive News -- DAVID BARKHOLZ--September 29, 2010 - 4:10 pm ET DETROIT --

Labor unrest in the past week at two General Motors plants illustrates the fragility of the peace between the UAW and Detroit 3.

To hear UAW President Bob King recently sing the praises of the Detroit 3 comeback, you'd think relations were hunky-dory.

Not so. Just below the surface is a rank-and-file, including some local UAW officials, often resentful that they have clawed back precious little except tuition assistance since the auto recovery began. And in some cases they were asked to go backward even more after major concessions that King says took \$7,000 to \$30,000 per worker in wages and benefits since 2007.

That's a bad omen heading into new master contract talks that officially get under way early next year.

Exhibits A & B: developments at GM's Lordstown (Ohio) Assembly Plant, where production of the critical new Chevrolet Cruze has just begun; and a worker uprising at the Indianapolis stamping plant.

At Indy, GM has announced it will close the plant by December 2011 because the 650 UAW-represented workers there overwhelmingly rejected a 50-percent pay cut sought by a potential plant buyer.

The rank-and-file decided, despite pleas by the UAW International, that they didn't want to live on straight-time annual compensation of \$30,000. They'd rather see the plant close and take their chances on transferring to jobs in the GM system that might open.

The Lordstown situation was equally telling. Union local leaders there wrote an insult-laced flyer a week ago accusing management of sending Cruzes off-site for underbody repairs by outside workers.

The language and tone were bad enough. The flyer, written by UAW Local 1112 President Jim Graham and Shop Chairman Ben Strickland, said management had acted "sneaky, evasive and dishonest."

But the timing was even worse. Here is Chevrolet, with so much at stake with the launch of its first legitimate contender in the compact segment in years, dealing with a union disclosure that the vehicles need repairs. The flyer said they were minor repairs to a "switch" and "canister."

Graham backpedaled furiously this week, saying the subcontracting issue was resolved quickly and the whole event was a "family squabble" precipitated by launch pressures.

But do members of a "family" who really love and respect one another air dirty laundry publicly when so much is riding on the outcome of the bigger matter, in this case, the Cruze launch?

A no-strike clause in UAW concessions bargained before bankruptcy means the rank and file at GM and Chrysler won't be able to strike regardless of what they are offered in next year's contract talks.

But Ford Motor Co. workers still have the option because they rejected a no-strike package that King tried to sell them last autumn. Ford workers clearly will be a wild card in next year's bargaining.

If the worker undercurrent that surfaced at Lordstown and Indianapolis is any indication, it's about time to buckle that safety belt.