

As UAW negotiates, Toyota workers eye unionization

By Andrea Hopkins

REUTERS

10:09 a.m. July 30, 2007

GEORGETOWN, Ky. – As U.S. auto workers negotiate with the faltering Big Three under intense pressure to surrender benefits, employees at Toyota's flagship U.S. plant want what their blue-collar counterparts in Detroit have: union representation.

At least some do. Union drives at Toyota's Georgetown, Kentucky, plant have ebbed and flowed since it opened in 1988, with supporters battling to convince doubters that joining the United Auto Workers union will improve their lives.

The specter of crumbling fortunes at General Motors Corp., Ford Motor Co. and Chrysler haunt the union debate at the U.S. arm of Toyota Motor Corp., which is poised to overtake GM as the world's No. 1 automaker this year.

Union supporters argue that the Japanese automaker rode to a \$14 billion profit last year on the backs of its nonunion workers, while doubters fear unionization would leave Toyota as crippled as its Detroit competitors – or provoke retaliation.

The stakes are especially high now as the three Detroit-based automakers, which lost nearly \$15 billion combined last year, press the UAW for sweeping concessions that would bring their own hourly labor costs in line with what it costs Toyota to run its Georgetown plant.

Robert Bingaman, 53, didn't want a union when Toyota hired him in 1989. He had been a UAW member at GM until his Ohio plant closed and he lost his job.

"I was promised the moon when I hired in," said Bingaman. "But it changed through the years ... They started reducing back on things. We were keeping up with cost of living before, but raises started getting smaller."

C.J. James, 46, also wasn't a union supporter at first. She framed the Toyota job offer she got in 1988 and celebrated her hourly wage of \$10.41 – a huge step up from \$3 for a security job at a unionized steel plant in Detroit.

But repetitive stress injuries she has suffered on Toyota's assembly line – and the pain of watching co-workers break down – have convinced her it's time to unionize.

"I've watched hundreds come and go, some so crippled they can no longer work, and they have to fight the company to get any kind of benefits or worker's compensation," said James. She now makes nearly \$29 an hour, on par with UAW-represented workers and well above the average manufacturing wage of just below \$17.

NOT ALL CONVINCED

In June, some 200 Toyota workers and union supporters gathered to discuss shrinking pay raises, threatened benefit cuts, injuries and the use of temporary workers at the plant, where 6,900 employees produce the Camry and Avalon sedans.

But many workers are not convinced and point to job losses at GM, Ford and Chrysler as proof of union failure.

"We do not want to be in the shape the Big Three is in now," said Brian Howard, a 16-year plant veteran who opposes the union drive. "People fail to look five years down the road."

Hourly labor payrolls at Toyota are dwarfed by those at the Detroit automakers, which are burdened by so-called "legacy" costs of retiree health benefits and pensions won by the UAW during generations of contract negotiations.

While GM has about 432,000 U.S. retirees, Toyota has only a handful. As a result, GM's average labor cost is \$73.26 an hour, compared with \$47.60 at Toyota.

UAW organizers declined to say how many workers have signed union cards, but admit they are short of the 70 percent they would like in order to hold a binding vote on unionization.

Howard said pressure to sign union cards is fierce.

"One woman said every time she sat down to lunch, three union supporters would pester her to sign a card, so finally she did," Howard said. "But she said, 'If there's ever an election, I'll vote no.' The support isn't there yet."

Toyota spokesman Mike Goss is just as sanguine: "These are decisions to be made by our team members, but we've had over 20 years of production at our Kentucky plant, and those team members have not chosen to be represented by a union."

AUTO JOBS HEAD SOUTH

Toyota has avoided unionization in part because it has built plants in rural areas where workers are grateful for jobs and not accustomed to unions. Toyota's newest plant will be in Tupelo, Mississippi, where poverty is entrenched.

“Toyota has followed a grand strategy of settling in smaller southern towns without a history of organizing,” said William Maloney of the University of Kentucky's Center for Labor Education and Research. “Many of the workers feel that they've got a very nice deal in terms of pay and benefits, and they're not sure what the benefits would be to unionize.”

Toyota worker James put it more simply. Workers in eastern Kentucky came from “nothing,” and are too grateful and scared to speak up about poor working conditions.

“Toyota can replace them because there's thousands more out there,” James said. “And Toyota knows that. They tell us, 'If you don't like it, leave. McDonald's is hiring.’”

Anti-union worker Howard believes the union debate could come to a head when Toyota announces changes to its pay and benefit package in September – around the time the UAW's current four-year contract with the Detroit automakers expires and a summer of intense negotiations will be nearing its end.

“Right now, I think the union campaigners are maxed out,” Howard said. “If the wage announcement this fall is good, I think their campaign is dead in the water. But if enough team members deem it to be unacceptable, then they may gain more support.”