

BlakeKim_19920604

RICHARD SHARPLESS: [00:00:00] This is an interview with Kim Blake, president of UAW Local 677 in Allentown. Local represents mostly Mack truck workers. The date is June 4th, 1992, and we are conducting an interview at the local 677 headquarters in South Allentown. Okay, Mr. Blake. How old are you?

KIM BLAKE: I am 38 years old.

RS: Thirty-eight, okay, and how long have you been working in the business?

KB: I started with Mack 20 years ago this year, and I've been a union official since 1977.

RS: How long have you been president of the Local?

KB: The last six years.

RS: The last six years, okay, and why did you start at Mack?

KB: [00:01:00] The money, frankly. No, I was going to go to college to eventually become a golf pro. Not that I could have learned that there, but I could have gotten, you know, some exposure to golf through college, and just decided I really didn't want to do that. And an opportunity came up that allowed me to be hired at Mack, and I went for the

immediate gratification, as it was a good wage at that time at least. Still is today, so I took the job.

RS: What got you interested in union work?

KB: I suppose what gets everybody interested, at least most people that I know of, and that was some of the things that were going on that I personally didn't like. That was, more than anything. It wasn't a matter of not liking, as I find out later, I just didn't understand them, but that's what really got me involved. It wasn't out of any need to be involved in community services or anything like that.

[00:02:00] I was only 23 at the time. I really wasn't into that type of frame of mind.

RS: You start out as a shop steward?

KB: I was a shop steward for only six months and then became a full-time committee rep or committeeperson. We call them committeemen. We used to call them committeemen, now they're committeepersons.

RS: And you were elected in?

KB: February of 1977. I held that position for three terms, nine years' worth, and became president in 1986, May of '86.

RS: President in '86.

KB: Yes.

RS: What was Mack like when you first got involved in the union back in the late '70s? First of all, do you have any idea how many employees they had at that time, more or less?

KB: When I got involved in '77, it was during the negotiating process, and I was really the result of negotiations, or at least my position was at that time. I was a second committeeperson for McKenzie, but we had roughly 4,500 or so active workers at that time, and over the next two years, they grew into about 5,500 active, dues-paying members. And in the '70s, quite frankly especially the '79 timeframe, '78, '79, it was a real booming time for the business. We sold more trucks, had more orders, and it was just all in all a really good time to get started in the labor movement only to find out that a few years later, everything fell apart, from an economics standpoint, and a truck industry standpoint.

RS: From the point of view of union representative, how was it dealing with the company at that time?

KB: [00:04:00] In 1977, '78, and '79 timeframe, it was relatively easy. As I said, it was a good time for the company. Didn't have to work as hard. Things weren't as tight to sell trucks. They were easily sold without much stress involved, and so there was attainable things. There

was frankly a better position of leverage on the part of the unions, at least this local union, so it was good, in the '70s.

RS: At that time, was Mack still an American corporation? It hadn't been bought yet by --

KB: No, we were solely American. I think we had, in fact, I know, Signal was our parent company at the time. Leo could probably answer that better because that's really his involvement more, he was the vice president.

LEO: [00:05:00] Signal was involved for a short period of time, but not very long, but they bought this. They were major stockholders, when it was in what they called the "Zenon Hansen era."

RS: Right. When did things start sliding?

KB: 1981, '82. From a negotiation standpoint, it was '82 for us, and probably for everybody in auto. It was the underpower and bargaining, it was the recession. Yeah, that was the year that everybody was at the table, or the year before and just, frankly, in auto it became a concessionary contract year for everybody, so we made some major concessions and --

RS: What kind?

KB: Well, it was economic in terms of wage per hour. It was economic in terms of vacation time, benefits, to a degree, which we also consider as a vacation. [00:06:00] I think we gave up our optional leave programs, and it was basically an economic concessionary. One of those things. It wasn't a work rule concessionary period for the most part.

RS: Was the membership dropping at this point yet?

KB: Oh yeah, yeah. Nineteen-eighty-two, there were some layoffs. It wasn't to the -- our biggest layoffs came at about 1985 and '86. That's where we had the largest numbers of layoffs. Eighty-two was still, we had layoffs that year, and the following year to a degree. We were back and forth.

RS: But they looked like they were just sort of temporary things at that time?

KB: Yeah.

L: The normal type layoffs that we have here, right.

KB: The ups and downs in the business.

RS: When did it begin to occur to the people in the union, like yourself and others, that there was a real change taking place here, [00:07:00] that there was a real deterioration in the position of the company?

KB: In 1982. Nineteen-eighty-two was, as I mentioned, a concessionary agreement through the negotiations within a year after signing the agreement, they announced they were going to close our plant within two years. A year-and-a-half to two years.

L: So-called 5C?

KB: No, that was our plant three, and four, and ten, was machining and fabrication division. We built, at one time, all of the components, or most of the components --

L: Major. The major components.

KB: -- at least the major components for our own product. The drive shafts, axles, etc., etc., etc.

RS: What was the reaction from the membership at this time? Was this a surprise?

KB: It certainly was a surprise, especially when we got into the bargaining over that closure. [00:08:00] We offered -- They told us we needed to come up with, like, \$40 million in concessions, which meant that we'd have to give up this much money, this much vacation, this much this, this much that, and as it turns out, we started approaching - we began to approach those numbers, but it really boiled down to - and they made it a statement in a matter of record that we could absolutely work for free, and it wouldn't

make any difference. It's cheaper to build the product on the outside than it is to even have you in here doing it for absolutely nothing, so it became apparent that there was a mindset.

RS: You said outside, that means outside subcontractors?

KB: Yeah, yeah. They went to the Dana's and the Rockwell's.

L: Offshore.

KB: And offshores.

RS: And offshores?

RS: So it really didn't matter what the union said?

KB: No, they weren't interested.

RS: And did this attitude carry through? Is this sort of carried down to the present time?

KB: [00:09:00] It carried through until about two years ago, almost three years ago now, so about late '89, early '90. That's when the Curcio regime, and all of his folks that worked with him, ended up leaving -- not at the request, but RVI kicked them out.

RS: Right.

KB: So when they left, they brought some new folks in, and RVI has since bought the company in its entirety, and it's a

completely different company than what it's been for the last 10 years, 15 years.

RS: What do you mean when you say "completely different"? What do you mean? In your attitude to --

KB: Well, I don't really attribute this necessarily to the French. I mean, the French have saved this company, and they've saved its employees, they saved its name, but the people that the French have working for them, from an HR standpoint, a human resources standpoint, are just completely different. [00:10:00] They're more employee-conscious, more employee-oriented, knowing and recognizing that it's more important to have a happy employee, a well taken care of employee, and they are not interested in the immediate gratification concept. They aren't interested in saying, "Wow, we're losing \$200 million a year. We need \$2 an hour concession from you, and copay on the benefits, and lose two weeks' vacation." They know that that's not going to solve the problem with any of that. If they can't get by the labor cost part of it, and there's nothing that can solve this problem, and so they have concentrated on making it up to the employees and treating them like a good employee, like a friend, like they're part of the company,

and having the people become more aware that this is their company, and all the processes that to kind of thing.

RS: So what you're describing is a pretty dramatic change?

KB: Oh sure, yeah. It's like a night and day thing.

[00:11:00] The labor and management are no longer at battle. We were at battle in courts, out of courts, in arbitration, out of arbitration. And I don't think in the last three years that -- you'd need more than two pairs of hands to cap the number of grievances that were written, and you wouldn't need that many to find out how many of those that were written on those two hands were solved already.

RS: And you attribute this entirely to the change in attitude?

KB: Oh yeah, the change in attitude from management.

RS: You said you didn't attribute it to the French.

KB: Well, no, no. It's only because the French --

RS: The French, after all, are used to working in unions there.

KB: Mm-hmm. But not to the degree that this is. And their unions in France aren't anything like in the United States.

L: More crass? Type thing?

KB: Right, and they don't even know what employee in some cases is even in the union or out of the union. They don't know

which union represents this employee working here or that one working there. They're both doing the same.

RS: [00:12:00] So they don't have the industrial-type union.

KB: Yeah, and it's not this -- I don't think it's as formal as what it is here. It's more like, it just seems more -- well, I'm not sure what it is, to tell you the truth, I don't work in that condition. But I know one thing, it's nothing like -- they're not used to this kind of situation. And the fellow that they brought in, Bill Craig, he's been a friend of the labor union, quite frankly. He's worked in auto for years and years with BMW. He was brought in to try to put the problems between UAW and the company to bed. He's done that really well.

RS: So there has been this dramatic shift. Do you feel that under the previous regime, back in the '80s, that Mack was doing all it could have done to save the situation? In other words, to --

KB: [00:13:00] No, I don't. Mack forgot what it was in business for. I mean, Mack tried to live on its own name. Its employees, both bargaining unit and company, began some things that were done over the years and years and years, and it's just taken everything it can out of the company instead of putting certain things back in the company. I

sit there and say that from the labor rep standpoint -- and we're all guilty of it -- but obviously management has managed to get it to where it is today, or at least where it was three years ago, and it didn't cost the trade of the customer at all. The customers needed good spit-and-sell trucks years ago and, today, the competition has gotten that much better in terms of quality, in terms of lowering costs, and so buying a Mack Truck isn't nearly as interesting today as it was years ago. You're not getting any more for your money by buying a Mack Truck in the customers' mind than you are buying any other type of truck.

RS: [00:14:00] Were they interested in modernization in the plants at all? Did they keep up with --

KB: They've kept up to a certain degree in ours. They didn't do it in the 5C plant at all.

L: Very lax in that area. As a matter of fact, when Hanson came here, he was still running equipment in a machine shop that the machines were 30 years old. We spent money and brought some new stuff in for axles, things of that nature, used Snyder line, but they couldn't keep up with the more modernized type equipment used in other facilities which, in some vein, turned around to bite them in the final

analyses because they couldn't put the stuff out as clean or as well as someone else using similar type equipment.

[00:15:00] And as Kim indicated, we had the -- White trucks went almost to their demise before they were purchased by another overseas outfit. You had a Diamond Rio truck, and you don't hear them anymore.

RS: Right.

L: We ourselves had a Brockway unit up in Cortland, New York, but that went to the pump. So, it was a big contraction of the trucking -- who made trucks, and you'd think that Mack would get the market share based on fewer guys making trucks.

RS: Right.

L: And that never occurred. It did for that one spurt in the late '70s, and after that --

RS: Who made it? Who got the market?

L: Well, Volvo bought into the White trucking outfit, and that was since -- in the last few years, Volvo and GM are, you see the trucks going down with the diagonal thing through the -- that's a Volvo white truck. That's also now a GM designation. [00:16:00] It had, years ago when you're talking back in the '70s, Dodge was still in the heavy

truck -- they made a heavy-duty truck. I don't think they do anymore.

The Chrysler corporation -- Rumors at that time, very heavy rumors that Chrysler was going to buy the Mack Truck, had been off and on again since nineteen - I think, starting in the late '50s -- Chrysler, because of Iacocca especially, that he was going to put truck routes in the valley. All rumors. No foundation whatsoever to any of that.

And then you had the Freightliner, which was another truck outfit ready to go to the pump, and the Daimler-Benz group, the Mercedes people from Germany came in, bought that up, and they brought with them their streamline type of operations which were similar to what Knoll has, they want greater flexibility, they want this, things that they wanted, other than just giving up wages, or giving up vacations, similar to what the Mack wave was here for asking for concessions. [00:17:00] They came in and said, "If we can get this, then we're prepared to go this distance, this length, and things are working out." Matter of fact, then I think the last quarter of last year was the first time International Trucking Group, which is now Navistar, I think it's the first time in how many years

that they were not the number-one truck salesmen in this country, and that was taken over by Freightliner for that quarter, so the competition is very heavy now.

And we were led to believe that, back in those years, that because of the Curcio regime, that there was pent-up demand for trucks, that people were cannibalizing trucks because of that gas crunch that we had, things of that nature, that there wasn't any money. [00:18:00] The deregulation of the trucking industry, a lot of stuff worked in conjunction with this -- what happened to Mack Truck, and some of the results of that, as you see here today, of this company is losing market share instead of picking up now.

The last couple of months, they seem to be holding their own, just stemming the flow of losses is basically what they're interested in. I guess the latest editorial that came out of the corporate offices are that they're pretty well pleased that they reduced their losses down to less than the \$200 million. They're around what? A hundred and twenty-nine or something like that. So that was over around 284, so they think they've turned a corner. That's to do what happened in the past. In the past, it was we were told it had to be this way or -- and I guess

you guys know all about when the International got involved in [Bill Kessler?] came in?

RS: Right, right.

L: And there were lawsuits, and court suits, and everything going on for a long period of time. [00:19:00] If you want to put it into a sentence, that the parties lost trust, is basically what happened. You could no longer depend or rely on what the company people were telling us.

RS: What was the top management, top union local membership number?

KB: How high was our membership?

RS: Yeah, at one point.

KB: As I said, we were at approximately 5,500 --

RS: Fifty-five?

L: Mm-hmm.

KB: -- active, dues-paying members at one time in the nineteen - probably -- no even eighty, well no - the late '70s.

RS: What is it now, approximately?

KB: In this local union, we have approximately 1,200 dues-paying active members. That's a considerable drop.

RS: [00:20:00] Now, how many Mack facilities are closed with the representatives who let the workers in?

KB: Mack has closed one, two, three facilities right here in this --

L: Three.

KB: -- immediate area that Local 677 represented.

L: Well, if you want to know the amount of buildings, there was plant three, which was a machine shack facility.

RS: Right.

L: And there was an addition to that called 3A. There was plant four, which did the sheet metal and the fire line up to the plant closing. Fire line was in here, axle line, and sheet metal in plant four, and then there was a 4A where they made axle shafts and did some paint dipping.

RS: Mm-hmm.

L: Then, there was a plant 10 which is that old silk mill where they built the bridge to apartments.

RS: Yeah.

L: Those all closed and at the top of that hill, there was a plant. Over at 5C, there was a plant 5A that did nothing but the tires and putting rubber on the rims, when they had the 5C complex.

MARTIN DESHT: [00:21:00] What was changeover?

L: Changeover was in 5C. That was your final department. Changeover is what we call today the final department.

RS: Basically, three operations.

L: Yeah.

RS: One assembly, and two manufacturing. Now all that stuff is done by subcontractors now?

KB: No, 5C --

RS: 5C places in South Carolina.

KB: -- I mean, some of what was done in 5C is now being done by subcontractors, but the 5C plant itself has been replaced with the Winnsboro operation. Not all of the operations from an assembly standpoint that were being done in 5C, could support 5C trucks aren't being done now in Winnsboro to build those same trucks.

RS: Right.

KB: Some of that work has been firmed out to outsourcers - outsourcing -- through outsourcers and subcontractors.

RS: [00:22:00] You have any idea how many units were built back at the peak period and are built today?

L: About a hundred a day.

KB: Oh yeah.

M: Hundred a day?

RS: About a hundred a day?

KB: In fact, even a little higher than a hundred a day.

L: Well, we got to about 110 or so. We used to be able to bat out, I think just in 5C alone, with the two lines running, the Macungie facility running, we could get well over 100.

KB: In between the, you know -- As you pointed out, between the 5C facility, Macungie, and Canada, probably in the area of 130 a day.

RS: What about today?

KB: Today, Macungie's building 25, Winnsboro is building 25, and Canada is building roughly 10, so that's substantial.

RS: That's just about half.

KB: Mm-hmm.

RS: The workforce is down about three-fourths.

KB: Mm-hmm, yep.

RS: [00:23:00] Has there been any -- Are your members working harder, longer hours today than they were previous? What happens often in the steel industry is they're expecting people simply to work more, produce more.

KB: Our members -- I hate to sit here and say that they're working harder, but I would, and that they're working smarter is probably a better way to put it, but the end result is they're getting more done than what the same worker would have gotten done 10 years ago.

RS: Mm-hmm. So their productivity -

KB: Sure, I mean, it just doesn't come because they're working harder. They're not, from a work standpoint, a work pace standpoint through a contractual obligation to maintain a work pace, they are not working any harder. It's just that the efficiency has come in through getting rid of the waste in the work. Not having to walk 200 feet. [00:24:00] Not having to bend all day long up and down and crawl to the other side of the truck, and the way that management is beginning to manage the assignment of work --

L: Incentives.

KB: -- it's really [pretty efficient?].

L: So you say management, too, has gotten smarter in terms of the work.

KB: Yeah, well, yeah, I think that the bargaining has always known the trick to the trade. It's just now, it's a matter of application and it's being done by management, you know, with a lot of help from the labor these days. In fact, they really wouldn't be getting it done without our help. You know, it's really turning into a very cooperative spirit between Mack and the UAW, at least in this location.

RS: When Mack started to layoff, and looked like it was permanent, when they started to close their facilities, what kind of effect did this have? It's an obvious

question, I know, but how were you people dealing with it here, in terms of what was happening in management?

KB: [00:25:00] I mean, it devastated, you know, many folks' lives, not just the bargaining unit but non-bargaining as well. So collectively, we were affected by this. The community itself was dramatically impacted by it as well, but we've had people that committed suicide at the number of marriages that -

L: Divorces.

KB: -- that come about, and loss of homes and bankruptcies and things like that. Yeah, just phenomenal. From 1987 on, it wasn't a good situation around this place. You know, its impact was unbelievable.

A lot of folks just weren't ready, willing, in some cases able, to transfer to Winnsboro and, in any event, not all that many have much of an opportunity since Mack has limited the amount of folks that could transfer.

[00:26:00] It took us all in the courts to even to try to avoid the transfer, right? And so, to go down to the south in a situation where you're not going to be wanted by the community, where you're not going to be wanted by your own company, just wasn't what I wish anybody was too anxious to

do. The alternative was the unemployment line, and all the things that go along with that.

RS: Right. When former Mack workers got jobs, when your former members got jobs, where did many of them go?

KB: We have members that are laid off since 1987 and have yet to find jobs. Biggest problem that -- Probably the thing that hurt the worst after you lost your job was the fact that Mack had done such a number on the UAW and its people that, when you went out into the community as a laid off worker, you couldn't get a job because you were a Mack worker and nobody wanted a "lazy Mack worker."

RS: [00:27:00] And we've heard the same sort of thing from steel workers, too.

KB: Mm-hmm.

RS: -- about the workers.

KB: It was a stigma, you know? One, they didn't want you coming in and possibly trying to start a union. Two, the thought of you yourself was that you weren't going to end up producing, you were going to be lazy, you know, people just have had tough times getting jobs, especially decent jobs. None of the jobs around here are going to compare to the Mack job, but even the jobs that were half the wage and

benefits as Mack were very hard to obtain. And we've got lots of folks out there getting \$5 an hour, having gone down from a decent middle-class income to --

L: Well, about the time the downturn came, they were up around the \$14 -- \$13, \$14 an hour figure at that time, but the local newspaper here, you can understand, had a lot of this anti-Mack worker sentiment. [00:28:00] They had a lot to do with that. They made it appear as though it was the union center through it all, and it probably has it in the paper today, that the unions are the ones running the country.

RS: Mm-hmm.

L: I would take it back to the years that we're talking about, in the late '70s, that you had three major big-time employers in the Valley here, and that was Bethlehem Steel, the facility over at Western Electric, and Mack Truck. And now, you might have Air Products, you know, peeping out to some degree, but back in those days, your three best or biggest and highest payers --

RS: Right.

L: -- were the Steel, Western Electric, and Mack Truck.

L: The community service that went along with that, people getting involved in community action and all that, you couldn't go anywhere to any type of civic function that you didn't have someone from one of those three places either heading it up, or assistant head, or whatever. [00:29:00] They tremendously aided and assisted in this whole area, but that's all come to a screeching halt with the demise of those industries, because now, I think your biggest employer around here now is Air Products.

RS: So you're saying then that the demise of the heavy industries also had that kind of impact in the community as well in terms of community involvement?

L: Definitely. Absolutely.

RS: Not a lot of money, but actually volunteer time that you needed.

L: Mm-hmm.

KB: Well, the losses of the industry here certainly has taxed the social services--

RS: Right.

KB: -- you know, unbelievably around here, and everything ties to that too.

RS: What kind of -- what's been the attitude of the workers who've retained their jobs? After going through this, they must have been kind of shocked themselves.

KB: There's a whole lot of anger out there even now, yeah.

[00:30:00] The last two-and-a-half years has, you know, for them, has been really good. They've been able to increase their wage, and the company didn't have to, the company actually just gave them --

RS: Mm-hmm.

KB: -- an increase to make up for what was taken from them in '87, or conceded in '87 by the union. And they've just treated them really, you know, really good, but even so, they're still, you know, this sense of, you know, "I don't trust you yet, even after two-and-a-half years."

L: You've got to understand, we've got people now in the seniority group, but he's talking about 20-plus years.

RS: Right.

L: And they are the people that are your youngest employees and all that.

RS: Right.

L: And as it's done everywhere else, as you go up the seniority ladder, you look for an inspection job and the job you don't have to go out and bust your hump every day.

RS: Mm-hmm.

L: And all those guys are taken from those, what you want to call a cherry-picked job or whatever, and they're put back in the assembly line. It's a hell of a shock.

RS: Well, that was a question I was going to ask you.

[00:31:00] In the steel industry, the average age of the workers is in the forties now. Is that true here?

KB: Yeah, we're late 40s.

RS: Late 40s?

KB: In the assembly plant.

L: Well, that's because of the agreements that we've had --

RS: Right.

L: -- with buyouts, and those eligible for certain things, give them a little kicker to get them out. All that's helpful.

KB: The point Leo was making to you is that -- and probably a heck of a lot to do with the attitude that's in that plant today -- despite what the good things are that are going on, these fellows that have 25 years seniority started out on the truck line 25 years ago, and within five or six years, it progressed.

[INTERRUPTION]

M: I want to go back on seniority. Are we on?

RS: Oh yeah, yeah, go.

M: I want to go back to seniority. Do you feel that the whole notion of seniority is still under attack?

KB: No. No, not at Mack, at least.

M: How about when --

KB: [00:32:00] From a conceptual standpoint, I'm not sure, but if I had to make a guess on it, based on things that I hear, see, watch, I don't really think it's going to be under attack. Talking about the structures?

M: Well, the way that the companies were restructured and, quote, "reorganized" by the workers, and hire them all back.

KB: Oh, I didn't understand that to be your question.

M: Oh, yeah, because I know of a paper company that has done that. And I know Japan has a very young workforce, and a third is retiring. And I see companies leaning that way, not only cutting health benefits, but also getting after seniority rights and so on, and so they can indeed lay off the older man and keep the younger man.

KB: Well, yeah, and it happens right in auto. Not in the auto industry, but in the United Auto Workers. As you know, we

represent a number of different -- we're amalgamated ourselves, we don't -- [00:33:00] here at Allentown, we just don't represent truck workers. We represent Americold, which is a freezer cold storage building, but in doing those kinds of things, we've seen it, yeah. They're shutting companies down to avoid benefits, avoid labor agreements, getting around it one way or the other, reopening up, it's a game that's been going on for the last few years, and labor has pushed for legislation to try and prevent some of that type of thing, we just can't get there yet.

I think a lot of it comes from what kind of company it is to begin with, what kind of folks are running the company, and the relationship between the employees and the company itself. And the company's open, so to do that it isn't that easy either. There's a price you pay when you do that kind of stuff, as a company, and it depends on your product, [00:34:00] it depends on a lot of things, but there's always going to be a price, because you've got to go through retraining folks, you've got to go through, you know --

You've got to build confidence up in new employees or our old employees that see what you're doing, see what

you're doing as a company. You've gotta wonder if that's going to happen to you in the future, and I don't see where - you know, I think it's a period that we're going through in terms of businesses cashing in on that opportunity now. But I don't see it to be something that's going to be an ongoing thing, that's a personal opinion.

RS: Yeah, let me ask that question. What do you see in the future here?

KB: Here, as it relates to Mack?

RS: Yeah, and the union in general. Your situation in general.

KB: We're in probably the worst situation of anybody that's working in Mack. Mack is not in a good situation as a corporation. It would be technically -- it is technically bankrupt.

RS: [00:35:00] Right.

KB: It would be out of business but for RVI. RVI, as you probably know now, is working on, or is probably maybe even at the conclusion of, a merger with Volvo, which is also building trucks, which is also a company combined with GM, which also builds trucks.

RS: Right.

KB: And RVI which builds trucks, and the whole effort is really a way for those two companies to now pool their efforts,

pool their thoughts, pool their products to some degree, these components, to crush the American market, and capture it, and put a lot of other companies out of business like Harvester and the like. And that's the effort. Harvester doesn't have anybody to bail them out. Between RVI and GM and Volvo, it's pretty phenomenal the kind of money that you can come up with.

[00:36:00] But, in any event, Macungie, our facility here, is, well, the most likely to be a strong considered candidate for closure because it's the oldest plant of the three --

M: Really?

KB: -- three assembly plants. It has the most work rules of the three assembly plants.

M: The Macungie plant?

KB: Yeah.

M: I remember when that was built.

KB: It was 1975.

RS: Seventy-five was the oldest.

KB: Yeah. Canada is not much newer. Yeah, it's not much newer. But getting back to it, it's got the oldest workforce, it's got the highest taxes. Pennsylvania state has the highest taxes by far. You know, the recent thing

that the state of Pennsylvania did in terms of taxing industries, it's unbelievable. I guess it had to be done to some degree, but I don't know to the degree that they did it. [00:37:00] The EPA problems that we have here are far out and exceed what they are dealing with in South Carolina, or, or in Canada. You don't need three -- they don't need three plants. They wouldn't need three plants today to build what they were building when we were building 125 trucks to 130 trucks a day. They don't need it. It's over -- its burden. You know, it's an extra burden.

RS: So you figure down the road it's going to close?

KB: I figure down the road, no matter what, that there's going to have to be a closure. I don't know how soon it will be, it certainly won't be until some of this smoke clears and RVI can figure out what its plans are, and it can figure out who's the best plant.

RS: Right.

KB: And what makes the most sense to close where, and etc., etc., etc. You know, those are long-term things that might come true sooner than later, but I don't think anywhere in the immediate future we're going to face that problem.

RS: [00:38:00] What do you think ought to be done about this situation? I'm talking about now, in general in the country. We've seen 15 years now of erosion of the industrial base of the United States. You think anything can be done?

KB: I suppose from --

RS: It's a personal question.

KB: -- the labor standpoint, the most immediate answer would be it's coupled with 24 years of Republican presidency, but I'm not so sure that that really is the answer. It certainly does contribute to it, with things that are tied to it, but personally, it's just a personal opinion. I'm not so sure that you can weigh it out.

I don't really want to come across strong, but the American worker, whether he's bargaining or non-bargaining, organized or unorganized, Americans frankly have had a good life a long time and really don't -- everybody's a taker in there. [00:39:00] A right for me, and [grumbles] for everybody else, and so there's never a give-back to society or a give-back to your company. I don't mean a give-back from a concession standpoint, but from a sort of responsibility standpoint and ownership standpoint. It's just "I'm there for a check. I'm there for my benefits and

what I've got to do to get that I'll do that and nothing else." You know, from a work-ethic standpoint, I just think America is falling apart.

It's not what it was 30 years ago. I'm not that much older. Thirty-eight, but when you look back, you talk to old timers, you see how they work. You've seen just in construction what they could do in those days without the equipment, and without this, and without that. [00:40:00] We knew that everybody worked.

M: A declining work ethic?

KB: Yeah, I really think that's a big problem in America. It's not exclusive to the bargaining unit or unions, it's just America, in general.

RS: Do you think anything can be done to change this? Or maybe it is changing.

KB: Well, I think it is changing, but I think it's changing all for the wrong reasons. It's more reactionary than proactive. I don't think people make a conscious decision, to say, "I want to change my work ethic." I think that they change it because either they have to or else. "If I don't change or if I don't start working harder or if I don't do this, I'm not going to have this, or I'm going to lose my job, or they may move out," and so it's not

necessarily a desirable thing they're a part of. It's reactionary, yeah.

RS: This goes back to that question I asked you earlier about the workforce today, their attitude toward work. Do you think that that has -- [00:41:00] What I really meant is do you think that this changing situation and circumstances has had anything to do with the, say, "improved productivity," around the workers?

KB: I've said this with some degree of optimism, but the Mack worker that works in Macungie is, for the most part, has a good degree of conscientiousness to him, or at least there's a sense of it that's existent there, but I think that the biggest part of improvement that was done out there came with much reluctance on both sides' part. And it was more, you know, "If I gotta do it, I gotta do it, you know, I don't want to see them close the plant," or "I don't want to see them, you know, lay me off or lay off people," [00:42:00] you know, "It's not because I really want to." But I think, and we have programs that are in right now, EI programs. We're starting another program that just teaches people how to solve problems, how to look at the other side of the problem instead of being so ingrained with the way you know you've solved problems for

the last 25 years and looked at problems. And with those kind of programs in place, I think that we're going to be able to get to a point where people, you know, take ownership in their own company, take ownership in the problem, the problems of the company. I think that's a responsibility that, you know, labor and management have to share.

RS: You're working -- these are programs in cooperation with Mack, right?

KB: Mm-hmm.

RS: What kind of future do you see for unions in the United States, being that membership is at its lowest point?

KB: [00:43:00] Well, unless management in the United States completely does a complete turnaround and manages folks the proper way, first deals with its employees and then its next concern would be its customers. Unless they go to that extreme, there'll always be a union, because historically, management has gotten to the point where it wanted to get lazy and it wanted to get fat and it really didn't give two toots about its workers. You know, it was there for whatever they could get out of them.

RS: Mm-hmm.

KB: And so, I don't see management change from a national standpoint, at least within this country, in that big a way too quickly.

RS: Mm-hmm, mm-hmm. Okay, Martin, questions?

M: Past presidents used to say, "as goes heavy industry manufacturing, so goes the economy." [00:44:00] Last week, president Bush said, "as the housing industry goes, so goes the American economy. Do you have any comment about - it's interesting - is that a sign of a healthy economy, that's based on the housing industry?"

KB: To tell you the truth, I follow very little what he says, but no, I don't think that it's a good sign of what the economy is or isn't. I mean, I suppose that the economists will say that what's going to drive the economy one way the other. It's housing, it's construction, it's this, it's that. But something's got to drive that as well. You know? Lowering interest rates isn't doing it either.

M: Right.

KB: All it did in terms of lowering interest rates would get those that were in that into a better position to deal within that, and that really didn't open the door for too much, in my opinion, new housing, new construction, new anything in that regard because people are very cautious

now. [00:45:00] You know, the reality is that they'll go back up.

M: Right.

KB: The reality is that people aren't going to -- I don't think you're going to see people spending a whole lot of money anymore. The credit card concept is, I think, going to start phasing away and people have become, you know, are going to become really conscious of it.

M: Right.

KB: They don't want to get themselves in the same shoes that -- because you don't know, there's no security in any job in this country anymore. It could pack up and it can leave tomorrow. It can close up tomorrow. It can be written off tomorrow. You're a write-off,. And so there's not much stability in employment in this country. Unless you're the President --

RS: Yeah.

KB: -- of the United States.

RS: Yeah.

M: That does a lot for your sense of loyalty.

KB: Pardon me?

M: That does a lot for your sense of loyalty. To any - well not any company -- when you know your job is basically temporary.

KB: Yeah well, and you know, it's not fun to get up in the morning. I don't suppose any job is always going to be fun. [00:46:00] But I think that if each job, you can be what you want it to be, but when you continually get up in the morning, as you pointed out, and know that it could be gone, and you know, you could read in the paper that morning that Mack Truck is leaving or RVI and Volvo's merger means a closure, or whatever the case is, that they're going to start sending the product down to Mexico on Bush's fast-track. You know, where do you end up?

M: You think that affects what we were talking about before? The decline in the work ethic, the fact that your job is temporary?

KB: This is a personal opinion?

M: Mm-hmm.

KB: Well, no. I don't think that it does.

M: Do you think --?

KB: I think that, over the years, and there were a lot of fat years in this country, where everybody was able to, at least in the industry that I'm in, and some of the other

middle-class industries, the steel industry, and so on, I think people just got fat. [00:47:00] Workers, management, they just -- anyway you do that so long, and everything becomes, you know - a habit, a rut - and you just do what you have to do.

Maybe I say that more because of the way I was and not the way everybody is, but it's certainly -

RS: Well, we hear this too.

M: Yeah.

KB: -- it's certainly, you look at your job and, you know, everything gets taken for granted anymore. Your job gets taken for granted. You know, your freedom in this country could be taken for granted. I think it is.

M: You think it's still possible to buy American?

KB: "Buy American" or "buy America?" I think it's possible to buy American. Is that what you said?

M: Yeah, buy American.

KB: [00:48:00] America or American?

M: No, American. Buy American.

KB: Products?

M: Who are truly American-named products.

KB: It's possible, but it's not easily done. You know, you look around in the stores and you've got to go far and few between for an American piece of clothing.

RS: That's right.

KB: You know, you don't go into any store --

RS: Forget this kind of stuff.

KB: Yeah, forget that kind of stuff. You know, the funny thing about this kind of stuff is a lot of the technology came from us. It was microchips in terms of the computer, and it comes from us. We send it out and sell it away, and they --

RS: Sell the license is how they do it.

KB: -- go to town.

RS: Yeah.

M: California just passed an amendment to buy American, buy American --

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