

Job losses hot topic for anxious Iowa voters

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CEDAR RAPIDS, Iowa -- Jerry Nowadzky said he considered himself lucky when it took him less than six months to land a good-paying job after being laid off as a 12-year machinist when his company moved its operations overseas.

But less than three years later, in the fall of 2001, the 49-year-old was out of a job again, this time when his employer moved his machining division to Mexico. Now he is working the third shift at a HyVee grocery store, unloading trucks and restocking shelves for \$10 an hour, less than half of what he once earned.

"Too many people don't understand," Nowadzky said. "They think, 'Oh, that's not going to happen to me. I've been working at [one place] for 50 years.' Well, it will, if they don't do something to change it or stop it. That job will be in Mexico or Taiwan or whoever will do it the cheapest."

Nowadzky and his union, the International Association of Machinists Local 831, have become symbols of the downside of free-trade pacts, such as the North American Free Trade Agreement. More than 1,020 members of the local have lost their jobs since January 2001, and their handwritten names adorn the union's "hall of shame" in Cedar Rapids.

Trade has emerged as a potent political issue in Iowa in the final days before the state's Jan. 19 caucuses start the process of determining a Democratic presidential nominee.

Like international affairs, talk of trade issues used to be part of a candidate's boilerplate rhetoric, an attempt to show an understanding of a topic even though it ranked low among voter concerns.

But with the war in Iraq and a U.S.-led global war on terrorism, concern about security has elevated understanding of foreign relations to a major requisite for a candidate. The trade issue also has reached that level, particularly amid the uncertainty of a recovering economy in which employment has been slow to rebound.

Moreover, the Bush administration is examining new trade pacts to expand markets across the hemisphere through the Free Trade Area of the Americas and the Central American Free Trade Agreement.

All of the Democratic contenders' stump speeches call for at least modifying NAFTA and trade agreements with China, and some go so far as to talk about ending NAFTA and withdrawing the U.S. from the World Trade Organization.

Most, though, want to reopen trade agreements and use them to force better wages and working conditions for foreign workers and to secure environmental improvements abroad.

When NAFTA was being debated more than a decade ago, presidential contender Ross Perot warned that it would lead to a "giant sucking sound" as jobs left the United States. In Iowa the trade pact was viewed as a double-edged sword, with the potential for more foreign markets for the state's bounty of corn, soybeans, hogs and beef coupled with the possible loss of manufacturing jobs to Mexico and Canada.

A decade after NAFTA became law under Democratic President Bill Clinton, more than 1,500 Iowa businesses export products. But Iowa's exports of farm and manufactured goods totaled \$8 billion in 2002, about the same as in 1995 and a drop of a half-billion dollars from 1998.

Still, Iowa ranked third in the nation in agricultural exports in 2002, and an estimated 60 percent of the white corn

grown in the state is exported.

But one study found that Iowa lost nearly 8,400 jobs because of NAFTA from 1993 to 2000, and the state shed 4,300 manufacturing-sector jobs between January and October of last year.

"These jobs that I've lost here--they're not coming back," said Joe Ironside, business agent for Machinists Local 831. "They're not coming back at all. The white-collar crowd that's losing their job in telemarketing and airline reservations and what have you--those jobs aren't coming back. And it's a question of where your children are going to work, and what are they going to do."

Though Iowa has seen job losses, the Democrats campaigning in Iowa have held up Galesburg, Ill., as an example of what is wrong with NAFTA.

Laid-off workers

Maytag Corp., based in Newton, Iowa, announced in 2002 that it would close its Galesburg refrigerator plant and move those operations to a new factory in Mexico. Despite state and local subsidies, plant modernization and awards for quality, the closing affects 1,600 workers, 400 of whom were laid off last fall.

The Galesburg example has allowed the candidates to seize upon the high anxiety over the economy that Iowa's Democratic voters have shown.

Indeed, Rep. Richard Gephardt of Missouri, who unlike his rivals battled NAFTA in Congress, told a crowd of union organizers and activists in Des Moines recently that Maytag was planning more Iowa layoffs and job shifts to foreign operations. The company has made no such announcement.

"You don't have to stir people on trade," said Donald Kaniewski, legislative and political director of the Laborers' International Union of North America.

"I represent a union that is not largely trade-sensitive, but the reaction of our members isn't just that they've bought into the whole labor thing on trade," Kaniewski said. "Our folks feel it in the places where plants have shut down. They see it in their lives and they understand it. Trade is an easy political sell, the easiest sell there is."

Democrats are extending their arguments against the trade agreements beyond manufacturing to agriculture. They contend such pacts are fueling the decline in family farming.

"It's all about these big companies going to where they can get the cheapest products and, if they can, encourage production of products overseas," said George Naylor, a corn and soybean farmer in Greene County who is the president of the National Family Farm Coalition.

Bruce Babcock, a professor of economics and director of the Center for Agricultural and Rural Development at Iowa State University in Ames, said NAFTA and other agreements "probably sped" the natural consolidation of farming operations while opening new export markets for products.

On the manufacturing side, Babcock said complaints of job losses caused by NAFTA are "somewhat overblown," adding that a shift in jobs would have come about anyway because of globalization.

'Far from reality'

Babcock said Democrat and Republican rhetoric on trade is "just so far from reality." Democrats, he said, are moving so far toward a protectionist posture that President Bush can make marginal steps toward managed trade and still look like a free trader.

The arguments for free trade don't satisfy Nowadzky, who lost his machinist job as Goss Graphic System Inc. phased out its Cedar Rapids site, its last North American plant, which closed in 2000. Then he was laid off in 2001 when electrical component supplier Square D/Schneider Electric moved his job and hundreds of others to Mexico.

Married for 26 years and the father of three, Nowadzky said dinner often consists of macaroni and cheese, and thoughts are focused on how one son who is a senior in high school will get through college. He has health insurance through his wife Susan's job, but her company has begun downsizing.

"When I was 19 years old, I started at a [local] corporation and I thought I had the world by the tail," Nowadzky said. "Hey, I'm 19. I'm in one of the best places in Cedar Rapids to work. I'll have 30 and out and I'll be 49 years old and retired. . . . And I'm basically making less money now than I did in 1974."