

Auto workers oppose CAW's sweetheart deal with Magna

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A report on the CAW Local 222 meeting will be posted Saturday.

There is growing opposition among rank-and-file members of the Canadian Auto Workers union to the corporatist agreement the CAW has entered into with auto parts giant Magna International—a company with a decades-long history of tenaciously fighting union organizing efforts.

Under the agreement, unveiled by Magna boss and principal shareholder Frank Stronach and CAW President Buzz Hargrove last month, Magna will invite the union to “organize” the workers at its 40-plus Canadian plants and facilities in exchange for the union surrendering the right to strike, abrogating traditional shop-floor grievance procedures, and agreeing to promote the company’s corporatist labour-relations philosophy. (See “An historic betrayal: Canadian Auto Workers union ‘partners’ with Magna International”)

Initially Hargrove dismissed the criticism of the deal, attributing it to an inconsequential rump with an axe to grind over the CAW’s support of recent Liberal Party election campaigns. But opposition to the Magna deal has swelled to the point that Hargrove thought it politic to call a meeting of the union’s National Executive Board Tuesday in order to lay down the law. “I thought I’d better bring the board together and talk with the leadership,” said Hargrove, who clearly feared that the controversy, if not contained, could snowball.

CAW Local 88, representing over 2,000 auto workers at the Suzuki-GM CAMI plant outside London, Ontario, recently passed a resolution opposing the deal. And initial reports coming out of some of the Magna auto parts plants have indicated that Magna workers see little benefit in paying as much as \$75 a month in union dues simply to fund a union bureaucracy that offers nothing to their current non-union arrangements except an extra layer of supervision to drive up productivity. A CAW national representative, it should be noted, earns \$112,000 plus perks.

Rank-and-file members of the CAW have contacted the *World Socialist Web Site* to voice their opposition to the deal. “You have no place being a union president and at the same time conceding the inalienable union right to strike,” wrote a member of CAW Local 2000 in a letter to Hargrove, which was forwarded to the WSWWS. (The full text of the letter is appended

to this article.)

Hargrove, in some related damage control, marshalled Bob White, the retired CAW president and former head of the Canadian Labour Congress, to weigh in on the matter in an article conveniently placed in the *Toronto Star* on Tuesday morning. In a statement truly standing the whole issue on its head, White accused the “armchair” opponents of the CAW’s abandonment of the most elementary trade union principles of employing an “arrogant tone” and lacking the courage needed to face “new realities.” Signing away the right to strike and agreeing to have workers’ contracts decided by binding arbitration is, apparently, no big deal for White who states that, after all, in the present day “work stoppages are almost ineffective because of economic circumstances.”

White, the founding president of the CAW, and Hargrove, the union’s head for the past 15 years, have steered the union ever rightward, accepting concession contracts and job cuts, with hardly a murmur of dissent from the union officialdom. But under conditions where the North American auto industry is undergoing a massive reorganization, with tens of thousands of jobs and auto workers’ wages and benefits, on the chopping block, some CAW bureaucrats have felt compelled to distance themselves from Hargrove’s partnership with Magna, so as to protect themselves from an increasingly restless rank and file.

Rank-and-file dissension in the 23,000 -strong CAW Local 222 in Oshawa has spurred the local leadership there to condemn the CAW’s “Framework of Fairness” agreement with Magna. In an open letter to Hargrove, Chris Buckley, Local 222 president and chairperson of the CAW/GM Master Bargaining Committee, said he was writing “in as forceful terms as I am able to let you know that I cannot in good conscience support” the CAW-Magna deal. The letter was distributed to the local membership with an invitation to discuss and debate the matter at Local 222’s November 1 general meeting.

“A ‘no-strike’ clause,” writes Buckley, “goes against the fundamental rights of unionized workers. As President I represent not only our 10,000 members employed at General Motors, but also thousands more in the parts sector. It is obvious the threat Magna will pose to our parts jobs should the Magna agreement go forward in its current state. The process of awarding contracts for product is in a cut-throat state already,

suppliers employing my members completely lose any level playing field if the right to strike becomes a factor in the competition's favour."

It must be noted from the outset that Buckley and the rest of the Local 222 leadership have backed Hargrove in every major retreat over the past period, from the union's electoral manoeuvres with both the federal and Ontario wings of the big business Liberal Party, to a string of give-backs and concessions in the auto plants, to the perfecting of a nationalist whipsawing strategy that has repeatedly been used to push layoffs and plant closures onto the backs of GM workers in the United States. If the Local 222 leaders are moving now to oppose Hargrove's latest move it is only with an eye to retaining their credibility with the rank and file.

Only last April, GM shocked workers in Oshawa with the announcement that it will permanently lay off 1,200 workers this December. It is expected that as a result of the GM production cuts, 7,000 other parts workers, many of them also Local 222 members, will lose their jobs as well.

The nationalist orientation of the CAW—based as it was, not on any particular militancy amongst the leadership, but rather on competitive advantages brought about by a low Canadian dollar and a state-run health-care system—has backfired on the bureaucracy. The ongoing collapse of the American greenback in relation to the Canadian dollar, combined with the massive UAW concession contracts just recently signed in Detroit that off-load health care liabilities from the books of the automakers, has undercut the CAW's nationalist and class collaborationist strategy by drastically lowering, at the expense of auto workers, GM's US labor costs. As one auto analyst remarked, "It is the CAW model ruthlessly applied by the UAW."

Not only will the Big Three automakers come north of the border next September during the contract renewal process with draconian demands for givebacks, layoffs and closures, Canadian auto parts companies have already begun to seek concessions based on the new American pattern. Emrick Plastics, a component of Windsor Mould Group, has already tabled demands for a two-tier wage system in their southwestern Ontario facility.

Hargrove's sweetheart deal with Magna will only accelerate this process. Workers attending the membership meeting in Oshawa this Thursday afternoon must draw far-reaching conclusions from the experiences of auto workers on both sides of the Canada-US border over the past quarter-century.

The nationalist perspective of the CAW bureaucracy (and for that matter the UAW) that severed the historic ties between North American auto workers some 22 years ago has worked to erode the wages, conditions and benefits of auto workers on both sides of the border and greatly strengthened the employers.

And now, with a new shakeout developing in the auto industry, the union apparatuses on both sides of the border are

seeking to protect their privileges and off-set the decline in their union dues base by forging new corporatist relations with the auto bosses. In the US, in exchange for agreeing to take responsibility for imposing cuts in health care benefits, the UAW leadership has gained control of a massive mutual fund. The CAW, meanwhile, is trying to boost its flagging membership rolls by entering into a partnership with Magna in which the union will serve as an auxiliary to management in boosting productivity and suppressing worker dissent.

Hargrove's abandonment of the traditional strike weapon and grievance procedure at Magna is not an aberration. It is the logical conclusion of the policies that have been endorsed by Buckley and the rest of the CAW bureaucracy for a quarter-century. To defend their jobs and working conditions, auto workers must base their struggle on a fundamentally different perspective—the struggle to unite workers in North America and around the world in a common struggle against the subordination of social needs to the profits of big business.

The WSWS was copied on the following letter sent to CAW President Buzz Hargrove by a CAW member

Hello Buzz

Consider this your pink slip. Expressing outrage over this would be bad for my health so I will just ask you to resign. You have no place being a union president and at the same time conceding the inalienable union right to strike. You are leading the CAW to become an agent of the company to facilitate its agenda against the working class.

When you leave the CAW, finding a job should be a cinch. Frank [Stronach] and Paul [Martin] owe you a big favour.

Thank you for any truly good work you have previously done, but as the saying goes, we all make mistakes. Just not huge ones like this.

From a CAW Local 2000 member
(name withheld on request)



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