

Canada: Business press advises auto union leaders on containing rank-and-file anger

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6 June 2008

The right-wing Canadian newspaper the *Financial Post* recently published an article by columnist Nicholas Van Praet entitled “Has Canadian Labour Given Up the Fight?” It nervously traced the growing discontent amongst rank-and-file workers with the Canadian Auto Workers union’s concessionary, sweetheart deals with the auto magnates.

The article was posted in the wake of the rejection by Ford workers in Oakville, Ontario, of a contract containing a three-year wage freeze, substantially lower wages for new hires, cuts in pension and medical benefits, and other concessions. The nearly 60 percent rejection vote marked the first time in the history of the CAW that a tentative contract with one of the Detroit-based, Big Three automakers was rejected by a union local. Even if the agreement, which was negotiated in secret talks held months before the expiry of the existing contract, was ultimately ratified, it was supported by only 67 percent of Ford workers—the lowest ever majority on a pact recommended by the CAW leadership.

This was not the first time CAW President Buzz Hargrove was surprised by resistance to his right-wing, corporatist policies. Only six months ago, he ran into considerable rank-and-file discontent amongst autoworkers at the giant General Motors complex in Oshawa over a secret deal with auto parts maker Magna International, a company notorious for its hostility to unions. Under the CAW-Magna “Framework of Fairness,” the union has been invited to “organize” workers at Magna’s parts facilities in exchange for surrendering the right to strike and traditional union grievance procedures and for otherwise agreeing to assist the company in suppressing worker discontent.

“Some critics argue,” writes Van Praet, “that unions’ unwillingness to engage in the major confrontations of years past is further evidence they are becoming an extension of corporations’ human-resource departments. And they wonder why anyone would pay union dues for that. Workers at two big manufacturers, ArcelorMittal Dofasco Inc. and Toyota Motor Manufacturing Canada Inc., rejected union drives this spring.”

There certainly are sections of big business that smack their lips at the prospect of a union-free environment, but for the time being most still recognize the decisive role that the trade union bureaucracy plays in protecting corporate profits at the expense of their own members.

Indeed, it was Hargrove himself who boasted in his 1998 autobiography *Labour of Love* that “Unions probably prevent more strikes than they precipitate.”

“Unions,” explained Hargrove, “provide a valuable service to the corporations. Three out of every four workers say they don’t trust their employer. Good unions work to diffuse that anger.... Unions deflect those damaging and costly forms of workers resistance (low productivity, absenteeism). If our critics understood what really goes on behind the labour scenes, they would be thankful that labour leaders are as effective as they are in averting strikes.”

In an allusion to the new contract between Ford Canada and the CAW—which saw the imposition of historic concessions on the workforce and subsequently formed the pattern for settlements with GM and Chrysler—the *Financial Post* columnist discussed with various corporate labour relations experts the ramifications should the CAW and other unions lose control of their members.

One commentary is particularly revealing. Reporting on the views of Guy Chaison, a professor of industrial relations at Massachusetts’ prestigious Clark University School of Management, about Hargrove’s handling of the Ford negotiations, Van Praet writes, Hargrove “didn’t create enough appearance of conflict, which modern day labour relations requires. In that sense, he got the deal but didn’t do enough to sell it to the membership.” Chaison agrees, “Usually there’s a little theatre involved. (Hargrove) didn’t go into theatrics. And as a result, he had difficulty making a case that the ultimate pressure was brought to bear on the company.”

Things have come a fair way since the infamous advice former UAW president Douglas Fraser gave in 1979 that union negotiators should always ensure that they appear before the cameras unshaven and in rumpled clothing during and immediately after bargaining sessions.

Professor Chaison may have tapped into the cynicism of the union leaderships today (and also perhaps his own) but does he really believe workers are that gullible after so many years of betrayal? The so-called “show” or “Hollywood strikes” of last fall in Detroit, where UAW leader Ron Gettelfinger pulled out workers in “national stoppages” lasting only a few hours, were clearly seen by the membership as just another cynical manoeuvre by the union bureaucrats. Indeed, there is evidence that the UAW had already agreed to the concessions deals prior to their theatrics. The question for most workers today is not whether these well-heeled leaders are their trustworthy representatives, but rather with what to replace them and on what perspective can a genuine struggle in defence of jobs, wages, and working conditions be waged.

In any case, Chaison seems to be running behind the times. Hargrove has for years postured as a militant labour leader opposed to concessions whilst at the same time negotiating give-backs in one contract after another and developing close ties with the big business Liberal Party and working to enhance corporate profitability through the CAW's participation in the Canadian Automotive Partnership Council.

This time around, what changed?

Hargrove's considerable skill at bureaucratic subterfuge notwithstanding, the stark fact is that the objective space for these types of "hard-line" manoeuvres is quickly disappearing. The Big Three's competitive labor-cost advantage in Canada that allowed the CAW for years to avoid accepting concessions of the magnitude imposed on US autoworkers, while undercutting the UAW in attracting plant investments, has evaporated. The Canadian dollar no longer trades 30 cents cheaper than its American counterpart. The financial advantages that Canada's state-run health care system gave the automakers have been offset by the huge reduction in legacy costs contained in the UAW contracts struck south of the border last September. And the continuing financial crisis amongst the Detroit automakers has already resulted in significant plant closures and layoffs in facilities based in Canada.

At the beginning of the press conference at which Hargrove announced tentative contracts with General Motors and Chrysler following the pattern of the massive concession deal signed with Ford, the CAW president was asked what his strategy had been during the negotiations. "To get in and out, quick," he replied. "That's it. To get in and out before they came after us for more (concessions)."

Hargrove's desire to get "in and out quick" was also informed by a realization that his own membership is increasingly uneasy with the concessionary road that he and his executive have so enthusiastically travelled—a road that has not prevented job cuts and greatly facilitated the automakers' attempts to pit worker against worker in a fratricidal labour bidding war.

Hargrove, despite Professor Chaison's advice from afar, felt he could not afford to mobilize his membership against the company—not even for a moment—under conditions where the automakers were demanding that the CAW bureaucracy demonstrate its slavish commitment to enhancing corporate competitiveness.

If there was a desire to wrap things up quickly, that strategy was just as driven by a realization that the CAW membership in the plants were themselves a "wild card." That was why a veil of secrecy enveloped the Ford negotiations. That is why the bargaining strategy conference set for June was cancelled without consultation. And that is why the traditional summer process of naming a strike target was jettisoned.

The strategy of backroom dealings followed by surprise announcements and a fait accompli pushed onto bushwhacked workers at hastily called ratification meetings was meant to ensure that no mobilization would ever materialize. Hargrove had clearly learned that lesson last fall when he rammed through the no-strike, no grievance-procedure, company-union deal at Magna International.

The chicanery of the union bureaucracy is becoming increasingly threadbare as demonstrated by recent events. In Michigan and New York last month, a bitter 11-week strike at auto parts producer American Axle was strangled by the UAW. *Detroit Free Press* columnist Tom Walsh, in a comment on May 15 entitled "UAW's Wrath Sends a Signal," noted that the motive behind United Auto Workers President Ron Gettelfinger's radio appearances was to prepare striking American Axle workers for the sell-out contract that was soon to come.

The union president, wrote Walsh, "wants Axle strikers and every UAW member within earshot of a Detroit radio station to know that these are brutally tough negotiations; that the company can close plants at home and build parts in Mexico or somewhere else, because it has happened before. He's creating an expectation for the rank-and-file—if it wasn't there already—that the next contract will be a bitter pill for American Axle workers to swallow. And then hopefully in the next few days, Gettelfinger can surprise them with positive news. Like an end to the strike sooner than expected. Maybe a deal to keep the Cheektowaga plant open. Or a \$5,000 signing bonus, plus big checks to ease the transition to retirement or a lower-wage job."

As it happened, Gettelfinger and multimillionaire American Axle owner Richard Dauch did not come up with anything more substantial than the implicit threat that if the parts workers did not capitulate immediately, then the union would acquiesce to the deployment of scabs to take the strikers' jobs.

Hargrove similarly is trying to soften up the CAW membership for his soon to be named replacement as union president. Due to retire next year and hand over a union organization with huge fault lines just below the surface, Hargrove has stated that the 2011 round of negotiations will make the just concluded sessions that resulted in sweeping give-backs look like a picnic. He predicted at least one of the Detroit automakers would file for Chapter 11 bankruptcy proceedings sometime over the next few years and that jobs, wages and working conditions for Canadian autoworkers will be subject to relentless downward pressure. Of course, the message here directed at autoworkers is a simple one: There is not much the union can do except perhaps negotiate the conditions of your own demise.

At that same press conference announcing the GM and Chrysler tentative agreements, Hargrove waxed poetic about his accomplishments at the helm of the CAW. At the top of his list, he said, was the development of democracy in the union. Autoworkers will draw their own conclusions about Hargrove's bitter legacy.



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