# Canada: Steelworkers and CAW officials tussle over dues base at Magna

**Carl Bronski**
**6 September 2008**

Over 1,000 St. Thomas, Ontario nonunion auto parts workers at Forment Industries, Magna International's largest Canadian facility, voted Wednesday to reject union certification with the United Steelworkers of America (USWA). Although the USWA had garnered the signatures of at least 40 percent of the plant's employees over the past month to force a union recognition vote, 71 percent of those voting chose to maintain Forment's nonunion status.

The southwestern Ontario plant is billed as the world's largest fully automated manufacturer of vehicle frames. Forment, which currently employs almost 1,600 workers, recently announced plans to lay off one quarter of its staff effective September 8. The layoffs come in the wake of General Motors' own June announcement of the closure of its truck and sport utility assembly plant in Oshawa, which the St. Thomas facility supplies.

The drive for union certification by the USWA came as an unpleasant surprise to the leadership of the Canadian Auto Workers union (CAW), which had been in negotiations with Magna management since April to organize their own union recognition vote at Forment under the CAW-Magna "Framework of Fairness" agreement. Signed last autumn, that corporatist deal saw Frank Stronach, the notorious antiunion CEO of Magna, invite the CAW to "organize" his company's plants in return for the union giving an indefinite no-strike pledge and abandoning the grievance procedure, steward representation and other fundamental union principles.

The CAW-Magna "partnership" deal only becomes effective at a Magna plant if and when the plant's workers vote to accept the union as their bargaining representative. The CAW initially planned to "organize" a minimum of five plants a year, but to date only two votes, one in Windsor and another in London, Ontario, have been held. Both votes endorsed the company union deal.

Many Magna workers rightly see the CAW presence in their plant as just another appendage of management, but with one major difference—it will be the workers themselves who have to subsidize their own supervision through the siphoning of their wages to the CAW bureaucracy via union dues.

In the run-up to Wednesday's vote in St. Thomas, Magna management and the CAW bureaucracy worked hand-in-glove to ensure that the USWA would be defeated in its attempt to gain a key foothold in the auto parts sector. A pro-USWA vote would not only have jeopardized the CAW's hopes to incorporate 38 other Magna plants and thereby significantly boosting its dues base, it would also have disrupted Magna's wheeling and dealing with the Detroit-based Big Three auto companies.

Just days before Wednesday's certification vote, outgoing CAW President Buzz Hargrove announced that the union, after consultations with Magna, is offering a new concessions-laden labour contract to Ford of Canada that could pave the way for Magna to construct an assembly plant alongside a threatened Ford facility in St. Thomas. The plan would also involve a heavy infusion of funds from the Ontario Liberal government and possibly the federal government in Ottawa.

Stronach, the billionaire owner of Magna, has been trying for years to subcontract vehicle assembly from one of the Big Three automakers in North America. The company already has contracts in Europe with DaimlerChrysler, BMW AG, and the Saab unit of GM to assemble their vehicles.

The Hargrove announcement was timed to undercut the Steelworkers union drive. In the days prior to the vote, Magna management made a meal of the argument that the USWA was not properly positioned with the major players in the North American auto market to help ensure the Forment facility's survival. With thousands of auto and auto parts workers' jobs under threat in the St. Thomas area, the last-minute proposal dangled by Hargrove clearly had an effect.

The rejection of the USWA by the Forment workers, however, in no way signifies any enthusiasm among Magna workers for the CAW and its partnership with Magna. The Steelworkers bureaucracy has a record at least the equal of that of the CAW in bowing to company concession demands and facilitating the destruction of jobs. Like the CAW it is a slavish supporter of the capitalist system and has responded to the ever-intensifying corporate assault on the working class by promoting protectionism and denouncing foreign workers for "stealing Canadian and American jobs." During the 1990s the USWA leadership repeatedly attacked the CAW from the right, chastising it for sponsoring protests against the Ontario NDP government's wage- and job-cutting public sector "social contract" and pressing for the speedy scuttling of any action against the Ontario Conservative government's "Common Sense Revolution."

The new deal that Hargrove, with Magna's help, is offering to Ford in St. Thomas goes even further than the massive concessions he surrendered to the Detroit-based Big Three last spring in a lightning round of bargaining conducted months before the expiration of the existing contracts and behind the backs of the membership.

The CAW leadership has told Ford that in return for a commitment to keep the St. Thomas facility open it is willing to accept a two-tier wage system whereby new hires make only three-quarters of the current employee wage and take six years to "grow in" to the full amount. Special paid absences would be eliminated, production speeded up, and the over two dozen job classifications currently on the books in Ford contracts would be reduced to just two for assemblers and two for skilled trades.

Stronach and the CAW leadership have been at pains to sell, in the name of defending "Canada's auto industry," an employer-union common front against the increasing threat that Asian imports represent for company profits and the union's dues base. The corporatist approach to labour relations—through which "Magna accepts the CAW as a genuine partner" and the union "accepts Magna's culture of 'fair enterprise'"—is a euphemism for the rejection of any conception of a cleavage between the interests of capital and labour: the union unabashedly works as an adjunct of management in enhancing corporate competitiveness and profitability and suppressing worker dissent.

Under the "non-adversarial" partnership the CAW has struck with Magna, union stewards are replaced with "employee advocates" who work with management in "fairness committees." Grievances have been replaced by a "concern resolution process," the right to strike has been surrendered, and unresolved contract matters are subject to final-offer arbitration.

A key aspect of the Magna agreement that the CAW leadership has preferred not to talk about in their sales pitch is the proviso that "employee advocates" cannot be workers who have any record of disciplinary issues with management. In other words, no militant or outspoken workers need apply!

The CAW-Magna agreement provoked a quasi-revolt amongst rank-and-file CAW members, particularly in Oshawa and London, Ontario, which lies close to St. Thomas.

Incoming CAW President Ken Lewenza, who at the time of the agreement with Stronach was president of Windsor Local 444 and a member of the union's 17-person National Executive Board, reportedly told his colleagues on the board that if they put the "Framework of Fairness" to a vote amongst the CAW membership, the rank and file would almost certainly reject the proposal.

This realization did not prevent Lewenza from joining with all but one of the 17 board members to ram through the arrangement with Magna without provision for consulting the full membership. From the standpoint of the CAW bureaucracy, the purpose of the Magna deal is to secure its financial position. The revenue flowing to the official apparatus from union dues has been put under severe pressure as a result of the downsizing of the auto industry in North America, the surge in the value of the Canadian dollar, and the union's increasing inability to attract new members and organize non-union plants.

The Forment vote represents the second major rejection of the Steelworkers union by workers in a key nonunion, manufacturing facility in less than six months. Last March, the USWA dropped its bid to organize 4,000 steelworkers at ArcelorMittal in Hamilton, Ontario. Arcelor, known as Dofasco until its takeover last year by the world dominant India-European steel conglomerate, had, a la Stronach, voluntarily invited the steelworkers' union into the plant to organize its workforce.

Management actively encouraged its employees to listen to USWA blandishments, but to no avail. At meetings organized by the union Arcelor workers raised one question that the USWA officials were unable to answer: Why should we pay union dues when in your organized plants in the United States, not to mention down the road at US Steel Canada, you offer up nothing but a steady diet of concessions?

The USWA has gone on record as opposing Hargrove's corporatist deal with Stronach, but this "opposition" is simply their own tactical manoeuvre in a bitter struggle with their union competitors for a finite number of potential members in the overall workforce. The USWA is no stranger to the fine art of sweetheart "unionizing" deals with employers. Aside from their recent experience at Arcelor, through their affiliate, the International Woodworkers of America (IWA), the USWA has demonstrated just how far they are willing to go to expand their dues base at the expense of workers' rights.

The IWA has signed a five-year contract with the British multinational Compass Group for housekeeping staff at Vancouver General Hospital. The health services industry has been a key battleground amongst unions in recent years in the western province of British Columbia following the privatization of thousands of jobs. In 2003 Compass Group had been caught on tape offering voluntary recognition to any union willing to sign a cheap labour deal. The scandal scuttled Compass's initial foray into that health services market until the USWA affiliate stepped forward to "organize" the workers in the Vancouver hospital at wages and conditions that undercut virtually every existing standard in the health services sector.