

# The Canadian split from the UAW—Lessons for today

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*In the wake of Unifor's scuttling of the month-long strike at General Motors' CAMI auto assembly plant near London, Ontario, the World Socialist Web Site is reposting a September 2015 article that examines the reasons for, and consequences of, the severing of the ties that united Canadian and US workers for half a century in a common organization.*

*The 2,800 CAMI workers led a determined fight to improve their living standards, job security, and working conditions. But Unifor isolated their struggle. Then, with GM threatening to transfer production, and even possibly close the plant, the union, in the name of "saving jobs," imposed yet another concessionary contract, patterned after those it negotiated last year at the Detroit Three plants in Canada. This pattern includes the further entrenchment of the hated two-tier wages and benefits system and no job security.*

*The defeat of the CAMI strike attests to the failure of the nationalist strategy that Unifor and its predecessor, the Canadian Auto Workers (CAW) union, have pursued since splitting from the United Auto Workers in 1985 on the calculation they could cut separate deals with GM, Ford and Chrysler, based on lower Canadian labour costs due to the cheaper Canadian dollar and the government-funded public health system (Medicare). This "strategy" collapsed as the UAW repeatedly imposed deep wage cuts on US autoworkers, and the Detroit-based automakers expanded to Mexico for even cheaper labour.*

*At CAMI, Unifor's answer to the predations of the globally-organized General Motors against all its employees was to demand a company pledge that GM workers in Mexico be laid off first in the event of a downturn in auto sales.*

*The WSWs brought an international socialist strategy onto CAMI picket lines as the only viable way for workers to battle the transnational corporations and their hirelings in government.*

*The following article demonstrates how the nationalist, pro-capitalist perspective of Unifor-CAW has brought it into ever more open conflict with the needs and aspirations of autoworkers.*

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This month marks the thirtieth anniversary of the official founding of the Canadian Auto Workers (CAW) union (now Unifor) in the wake of the split with the formerly North American based United Auto Workers (UAW). The birth of the CAW in 1985 sprang directly from the promulgation of a nationalist program that divided North American workers and gave a huge opening for the Big Three auto companies to intensify their practice of "whip-sawing" contracts and jobs back and forth across the Canada-US border to secure the lowest possible wages, benefits and employment levels.

The newly founded CAW was promoted by the middle-class "left" as a bastion of militancy, a supposedly progressive alternative to the business unionism practiced by American based labour organizations. The balance sheet of the CAW's breakaway from the UAW and its subsequent re-branding as Unifor shows something quite different and reveals the opposite of the union's claim to represent a progressive alternative for

workers.

In the years following the split the CAW has pressed workers to secure product placements and investment by offering capital the highest rate of return, and otherwise served as auxiliaries of management in meeting production and profit targets. This was accompanied by an unbridled promotion of chauvinism and protectionism, which has served to split the working class and rally workers behind one or another rival capitalist elite.

The increasingly nationalist, pro-company policies of the unions have proven utterly disastrous for auto workers and for communities dependent on the auto industry. Concessions have failed to "save" jobs, and each round of concessions has led to another, with the globally organized automakers, aided and assisted by the unions, using every fresh giveback as a lever to press workers in another country or at another plant for still more.

The CAW/Unifor has long since ceased to be a workers' organization. Since the split, it has steadily transformed itself into a business whose financial interests are directly tied to the increased exploitation of the working class. Like the UAW it has cultivated the closest corporatist ties with big business and the government, including the Canadian Automotive Partnership Council whose aim is to increase competitiveness and profitability.

Nothing could expose the role of the union as an arm of the auto companies more than the recent response of current Unifor president Jerry Dias to the announcement by General Motors earlier this year that the Camaro line in Oshawa, Ontario will be closed this coming November when production of the model will be shifted to Lansing, Michigan. Speaking like a hiring hall broker selling cheap labour to his business associates, Dias made it clear that no fight would be undertaken to defend jobs. Instead, he touted the fact that 2,100 out of the current 3,600-strong Oshawa workforce are eligible for retirement which would be something of a boon for General Motors shareholders.

GM, said Dias, will be able to reap even more profits from a two-tier wage system the CAW accepted, which is largely modeled on the UAW version in the Detroit Three auto plants. As Dias excitedly told reporters, "If those workers retire, they can be replaced by newly-hired employees who start at \$20.50 per hour and whose wages won't rise to the full seniority level of \$34 an hour until they have been there for 10 years."

But the sales pitch did not stop there. In a bid to prepare the ground for further concessions to the auto bosses in the upcoming 2016 contract negotiations, several senior Unifor officials, speaking on condition of anonymity, told the *Globe and Mail* that ending a "hybrid" pension program—itsself a product of concessions in the last contract—for all hourly-paid new hires would be the best way to convince GM to invest in its facilities in Oshawa and St. Catharines, Ontario. Should this concession, which would put an end to even a semblance of a defined annual pension payment, be granted to GM, it is all but certain Unifor would accept that a similar provision be included in the upcoming contracts with Ford and

Fiat-Chrysler.

The Unifor leadership clearly has no interest in reminding workers of the destruction of historic ties between Canadian and American autoworkers. At Unifor's Labour Day rally in Toronto—attended by less than two hundred union officials and activists close to the union apparatus—and held almost to the day of the founding of the CAW thirty years ago, Dias made absolutely no mention of the milestone. Nor has the Unifor website deigned to mark the occasion with even a cursory note.

Throughout 1985 the Workers League, predecessor of the Socialist Equality Parties in Canada and the United States, campaigned to oppose the US-Canada UAW split and called on workers on both sides of the border to fight to preserve the unity of North American autoworkers, which was forged in the historic struggles of the 1930s and 1940s.

As a Workers League pamphlet widely distributed amongst autoworkers correctly explained, “The split now opens the way to a competitive bidding war between American and Canadian autoworkers, each seeking to undercut the other by offering lower labor costs and higher profits to the auto companies”. It argued that instead of breaking the international unity of autoworkers, Canadian director of the UAW, Bob White, could have waged a joint struggle against concessions by tapping into the immense oppositional sentiment amongst American autoworkers reeling from years of layoffs and concessions. White refused to consider this. “I didn't become the leader of the workers revolutionary league overnight”, he said, “just because we are taking an independent course”.

During the Chrysler bailout of 1979-80 the UAW set a new standard for labor-management collaboration when it worked hand-in-glove with the company in the shutdown of dozens of plants, the elimination of 50,000 of its members' jobs and the imposition of \$500 million in wage cuts and other concessions. The UAW lined up with Chrysler against the American workers and blocked all efforts to resist the company's attacks. In recognition of the union's services, Chrysler Chairman Lee Iacocca appointed UAW President Douglas Fraser to the company's board of directors. In Canada, workers already suffering under a wage control regime imposed by the federal Liberal government and skyrocketing inflation initially fended off similar concessions before succumbing to a second concessions contract at Chrysler in 1982.

That same year, GM and Ford demanded that the UAW re-open their contracts to match the concessions already in place at Chrysler. Fraser, against stiff resistance from the rank-and-file in the American auto plants who were already seething from a round of layoffs and cuts, managed to narrowly ram through a new deal after initially being stunned by a rank-and-file rejection of the initial offer. Meanwhile, Bob White, declined to re-open contracts in Canada.

In 1984, contract negotiations on both sides of the border with GM brought divisions between the UAW leadership in Detroit and its Canadian section to a head. In the concessions contract negotiated for American GM workers by new UAW President Owen Bieber, the UAW agreed to meager lump sum payments instead of the traditional wage increase, established a corporatist network of labour-management committees to oversee speed-up and granted new give-backs to the company on job security provisions. That deal also met militant resistance from the membership but eventually was ratified by a narrow margin.

When Canadian GM workers refused to accept this settlement as the basis for their own contract and struck the company for the first time in 14 years, Bieber openly sided with GM Chairman Roger Smith, threatened to cut-off strike funds to the Canadian workers and divulged inside information to GM management designed to sabotage the Canadian strike.

In the ensuing two-week period, White wrapped himself in the Canadian flag, and in order to gain a short-term reprieve from the downsizing push by the global auto industry, and over the heads of the Canadian membership, pulled the Canadian section out of the UAW. “This is coming from me as a leader of the union”, he stated. “It's not being

pushed from the bottom by the rank-and-file”. Presented with a *fait-accompli* by the leadership and persuaded by the nationalist tub-thumping of White—who had become the darling of the Canadian media—the membership eventually voted by large margins to endorse the split.

As White later admitted in his autobiography *Hard Bargains*, he led the secession of the Canadian division of the union in 1984-85 because he feared and opposed the prospect of a united struggle by Canadian and US autoworkers against the concessions policy of the UAW leadership. The UAW leadership well-recognized this and that is why, notwithstanding their vitriol against White, they ultimately gave the CAW \$42 million at its formation. The newly independent Canadian union would begin negotiating its own concessions contracts in Windsor and St. Therese, Quebec shortly after its official founding.

The horrendous give-backs engineered by UAW President Owen Bieber in the years immediately prior to the 1984-85 split were temporarily avoided by the Canadian leadership, not out of any genuine resolve to fight concessions at all costs, but largely because of the existence of an \$8-per-hour advantage in labour costs due to the lower value of the Canadian dollar, the existence of a publicly funded national healthcare system in Canada and other factors. Moreover, Canadian workers were more resistant to wage concessions because their paychecks were being eroded far more quickly by ballooning inflation and high interest rates.

In the decades following the split, the auto bosses have taken full advantage of the opportunities provided by the UAW and CAW to whip-saw jobs, wages, benefits and working conditions back and forth across the border. In Canada, more than two-thirds of all unionized auto assembly jobs have been lost since the split. Two-tier wage systems operate in both countries, defined benefit pension schemes exist only for the rapidly retiring group of veteran workers, traditional cost-of-living allowances are eroded or abolished and speed-up on the line continues unabated. In both countries, the unions back big-business parties that are complicit in the relentless attacks on the living standards of working people.

If the membership of the CAW grew consistently over the past several decades it was not due to any mass recruitment of newly organized workers but rather as an effect of a series of large mergers with other unions culminating in the creation of Unifor Canada in 2013. The merger of the CAW and the Communication, Energy and Paperworkers (CEP) into the new organization was a bureaucratic maneuver aimed at shoring up the union apparatus under conditions where the authority and influence of these organizations have been enormously eroded as a result of their decades of betrayals.

At the founding convention, Dias promised to launch new organization drives. The centerpiece would be an attempt to unionize some 8,000 autoworkers at Toyota assembly plants in Cambridge and Woodstock, Ontario. But after a year of attempts to sign up workers at the two plants, Unifor was forced to concede that they were unable to gather even the fifty percent requirement to force a recognition vote. Last May, the union, after much ballyhoo, attempted to resurrect its campaign with a factory gate rally. Fewer than two dozen Toyota workers showed up. Such has been the legacy of three decades of betrayal and collusion with the auto companies.

Like their counter-parts in the United States, the Canadian unions have moved politically further and further to the right, supporting the New Democratic Party as it abandoned its social democratic reformist program for austerity and working hand and glove with the Liberal Party, long the preferred governing party of the Canadian ruling class. Now with Unifor in the lead, the Canadian unions are currently pushing the “Anybody but Harper” campaign, which aims to replace the Conservative government with the Liberals, the NDP or a combination of the two.

There is a long history of united struggles by Canadian and US workers.

All the upheavals of US workers, from the Knights of Labor to the IWW and CIO won a massive response from Canadian workers who recognized they were fighting against the same bosses. Workers in Canada invited the UAW to organize them after being inspired by the sit-down strikes—and in 1945 they organized a massive blockade in Windsor to shutdown auto production. Every effort to unite with workers in the US was bitterly resisted by the Canadian elite, which invariably evoked Canadian nationalism and anti-communism.

The strivings of Canadian workers today to re-forge their unity with autoworkers below the border was expressed in a recent email to the *World Socialist Web Site Autoworker Newsletter* from a Fiat Chrysler worker in Brampton, Ontario. “I support my brothers and sisters in the US. It looks to me like collusion between the company and union. As has happened before. I say stick to your guns. The auto industry is booming. We deserve more than a pittance. Especially considering past concessions.”

There is no Canadian or US road to defend autoworkers against the attacks of the globally organized auto giants. The unity of US, Canadian, Mexican and all workers is possible only by building new organizations of industrial and political struggle, which reject the nationalist and pro-capitalist programs of the unions and their political subordination to the parties of big business. That is what the Socialist Equality Party fights for.



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