

Militancy and collective bargaining:
The Canadian Auto Workers and the
United Auto Workers 1979-1996

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Abstract

This paper analyses the 1979-1984 United Auto Workers and Canadian UAW/Canadian Auto Workers collective bargaining negotiations with the Big Three (General Motors, Chrysler, and Ford) automakers and with GM in 1996. I demonstrate that the Canadian UAW/CAW consistently achieved better contracts for its members than the UAW. While the healthier state of the Canadian economy, and the role played by the Canadian and US governments did contribute to the CAW's successes and the UAW's failures during the 1979-1984 negotiations, it is a mistake to believe these were the crucial factors in explaining the differences in the contracts. It was the CAW's ideology and militancy, its us versus them mentality when it came to dealing with business, and its preparedness to not give in despite it being easier to do so, that led to the better contracts. In comparison, the UAW had a belief in labour-management partnership and refused to fight for better wages and working conditions for its members.

Introduction¹

Unquestionably, the success or otherwise of a union's negotiations/collective bargaining agreements with employers is one of its most crucial functions in the eyes of its members. This paper analyses the collective bargaining agreements by the United Auto Workers (UAW) and the Canadian UAW/CAW (for historical accuracy, I use the term Canadian UAW for the period 1979-1984 and Canadian Auto Workers (CAW) for the period 1985-) with the Big Three automakers (Chrysler, Ford and General Motors (GM)) between 1979 and 1996, concentrating on the period 1979-1984 and the 1996 negotiations with GM. The negotiations between the UAW and the Canadian UAW with the Big Three between 1979 and 1984 are of upmost significance. The negotiations led to the Canadian UAW breaking away from the UAW and forming the CAW. I argue that in the period 1979-1984, while the healthier state of the Canadian economy in comparison to the United States (US) economy had some influence in the Canadian UAW achieving better collective bargaining agreements than the UAW, the main factor was the Canadian UAW's militancy, its us versus them strategy. After providing a brief overview of the 1987-1993 collective bargaining agreements with the Big Three, I analyse the 1996 negotiations between the CAW and UAW with GM. The 1996 collective bargaining agreements with GM vindicate my hypothesis that militancy is important, as in 1996, the US economy was in a healthier state than the Canadian economy, yet the CAW achieved a superior contract than the UAW.

1979 negotiations/collective bargaining agreements

As Queen's University labour academics Pradeep Kumar and John Holmes noted, 'most commentators view the 1979 negotiations between Chrysler and the UAW as the beginning of the 'era of concession bargaining' in the North American auto industry'.² Chrysler claimed that if it was to stave off bankruptcy, workers had to accept wage and benefit concessions amounting to \$203 million per year for three years.³ While the UAW accepted the concessions, the Canadian UAW was initially against them. However, following a brief strike, the Canadian UAW reluctantly accepted the concessions as it did not want to break the uniformity of contracts between Chrysler's US and Canadian

workers.⁴ However, less than a month later, Chrysler demanded that the UAW renegotiate their contract in the hope of winning more concessions. The US government demanded these concessions as it made its \$3.5 billion bailout of Chrysler conditional on workers accepting additional concessions. The UAW agreed to Chrysler's demand, which amounted to an additional \$230 million over and above the original concessions, as it believed the concessions would prevent Chrysler from declaring bankruptcy.⁵

The Canadian UAW, however, rejected Chrysler's demand. This stance put the Canadian UAW at odds with Chrysler and the UAW. The then UAW President, Doug Fraser, issued an ultimatum: 'the Canadians would either accept the concessions, or else they would be denied coverage under future international Chrysler master-collective agreements which would leave the small Canadian Chrysler section (Chrysler had only 14,000 workers in Canada) to the mercy of the large corporation in 1982' when the current contract expired.⁶ In an attempt to resist the concessions, the Canadian UAW lobbied the Canadian government to make a loan to Chrysler (Chrysler asked for a loan during the initial round of bargaining) conditional on no additional concessions. The Canadian UAW's position was enhanced when the ruling minority Conservative government lost office after only being in power for less than a year. The Canadian UAW spent a substantial amount of time and money in the subsequent election campaign. 'It set up eighteen phone banks, through which forty-five thousand autoworkers were reached and twenty thousand NDP [New Democratic Party] supporters were identified'. The election results saw the NDP (a social-democratic Party) gain four seats overall, and the conservatives lose power to the Liberal Party, which campaigned on 'greater state intervention and Canadianization of the economy'.⁷ The Canadian government eventually agreed to provide Chrysler a loan, after it sought the Canadian UAW's input in the negotiations. Chrysler received \$250 million (Canadian) on the following conditions:

- 1) Chrysler agreed 'not to close any existing facilities without approval of the minister of industry'.
- 2) 'Corporate commitments to invest approximately \$1 billion [Canadian] in Canada between 1980 and 1985'.
- 3) 'Job guarantees'.⁸

Thus, while the US government tried to force UAW workers to accept concessions, the Canadian government forced Chrysler to protect workers jobs, to further invest in Canada and to withdrawal its demand for additional concessions.

The 1979 negotiations marked a turning point in relations between the UAW and the Canadian UAW. Chrysler and the US government pressured the UAW to accept

concessions, but the UAW did not attempt to fight and almost automatically accepted the concessions. In contrast, after initially accepting concessions so there would be continued uniformity between Chrysler workers in the US and Canada, the Canadian UAW drew a line in the sand and refused to accept more concessions. The Canadian government's support was crucial in allowing the Canadian UAW to resist concessions. Nevertheless, the Canadian UAW's willingness to fight both Chrysler and the UAW was instrumental in the Canadian government attaching conditions on its loan to Chrysler, and in the Canadian UAW's future success. Moreover, as the Canadian UAW fought against Chrysler's demand for concessions despite the UAW's wishes, the UAW denied the Canadian UAW coverage under future Chrysler international bargaining agreements. However, as the following sections demonstrate, this had no effect on the ability of the Canadian UAW to achieve good collective bargaining agreements with Chrysler.

1982 negotiations/collective bargaining agreements

The 1982 negotiations with the Big Three by the UAW and the Canadian UAW further contributed to the break up of the UAW, as the UAW once again agreed to concessions, while the Canadian UAW, for the most part, successfully fought against them. In 1981, Chrysler again asked the UAW to reopen their contract. The then Chrysler President, Lee Iacocca, arrogantly told the union 'you've got until morning to make a decision. If you don't help me out, I'm going to blow your brains out. I'll declare bankruptcy in the morning and you'll all be out of work. You have eight hours to make up your minds'.⁹ The UAW reopened the contract, and eventually agreed to concessions. Likewise, the Canadian UAW leadership agreed to the concessions as they argued that 'these demands were not the result of a congressional decision but were based on the very real possibility of bankruptcy and loss of jobs at Chrysler'.¹⁰ A slim majority of workers in both the US and Canada ratified the agreement, which led to Chrysler gain 'concessions worth a further \$622 million from its workers'.¹¹

Early in 1982 at the height of the US recession, both Ford and GM demanded that the UAW reopen their respective contracts. The UAW agreed to Ford and GM's request, while the Canadian UAW refused. The UAW's negotiations with Ford and GM led to it accepting concessionary contracts. The contracts resulted in the 'freezing [of] wages and pensions, postponing cost of living adjustment, [workers] giving up nine paid personal holidays and allow[ed] local unions to bid against each other for certain jobs before they were offered to outside sub-contractors'. In return for the concessions, the companies

‘promised increased job security against plant closures due to outside contracting’ and increased benefits for laid-off workers.¹²

After the UAW accepted concessions from both GM and Ford, the Canadian UAW’s negotiations with the Big Three began. The Canadian UAW decided to negotiate with GM first. The negotiations occurred at a time when ‘industry layoffs and downtime were at peak levels’. GM threatened the Canadian UAW that if it did not accept the concessions agreed to by the UAW, it would move all of its production facilities out of Canada. As the Canadian labour academic Charlotte Yates noted, ‘this threat was all the more real because it came days after GM laid off 1,540 Ontario autoworkers’.¹³ However, despite the threat and the UAW’s attempt to undermine the Canadian UAW’s negotiations with GM, the Canadian UAW largely resisted concessions.¹⁴ While Canadian workers were forced to give up nine paid personal holidays, the deal ‘gave the average worker over \$2100.00 [Canadian] more in wages over the life of the contract, and improved benefits’. In addition, GM agreed not to change local work-rules, which would have given it ‘greater flexibility in assigning workers’.¹⁵ Because of these negotiations, for the first time Canadian GM workers received better pay and conditions than their counterparts in the US did.¹⁶ Once the contract was finalised, the Canadian UAW commenced negotiations with Ford. Ford insisted that the Canadian UAW accept concessions and refused to accept a similar contract to the one the union negotiated with GM. In addition to Ford wanting concessions from its production workers, it also demanded concessions from its office workers. The Canadian UAW refused to accept Ford’s request for concessions and claimed that all union members at Ford would go on strike for a decent collective bargaining agreement for production workers *and* the office workers. The then Canadian UAW President Bob White claimed that he was not sure whether the production workers would had gone on strike for the office staff, but he convinced the Ford negotiating team that they would. Eventually, just before the strike deadline, Ford agreed to almost the exact same contract that the Canadian UAW negotiated with GM.¹⁷

The settlements between the UAW and GM and Ford, and the Canadian UAW and GM and Ford once again demonstrated that the Canadian UAW’s policy of resisting concessions was overwhelmingly successful. Even in the face of plant closures, the Canadian UAW, while giving up nine paid personal holidays, managed to win substantial pay rises for its members. In comparison, the UAW quickly submitted to Ford and GM’s demands, and accepted concessions without a fight. The negotiations with Ford and GM demonstrated the Canadian UAW’s success in collective bargaining, and it was to gain further success in its negotiations with Chrysler.

In 1982, Chrysler again sought concessions from the UAW and offered its US workforce a paltry \$0.25 per hour wage rise, which the UAW leadership quickly accepted. However, an overwhelming number of workers (70 per cent) rejected the contract. Chrysler UAW workers agreed 'to continue to work under the terms of the old contract until bargaining resumed ... after a 'cooling-off' period'.¹⁸

In contrast, the Canadian UAW leadership refused to accept Chrysler's demands for concessions. Moreover, it sought a \$1.15 (Canadian) per hour increase for its members, which would have restored what was lost in the 1981 agreement.¹⁹ During one meeting, after he listened to Chrysler's President's right-hand man - Gerry Greenwald - lecture the Canadian UAW on the state of the Canadian economy, Bob White exploded. He told Greenwald that Chrysler management had made no sacrifices:

this equality of sacrifice is bullshit. You've sacrificed nothing. There are workers in Windsor who have been laid off for months. They've loaded their families into cars and driven to Alberta looking for jobs. And you're telling us we're not going to get more money? The hell with that. If we don't get more money, you're not going to get any goddamned cars. It's that clear and it's that simple.²⁰

Chrysler did not believe that the Canadian UAW was willing to strike over the issue: it was wrong. The strike, which lasted for five weeks, cost Chrysler an estimated \$4 million per day, and eventually led Chrysler to accept the Canadian UAW's demand for a \$1.15 (Canadian) per hour wage rise, and at the same time offered Chrysler's US workers a US \$0.75 per hour increase. However, instead of the usual three-year contract, the contract was only a one-year agreement.²¹ Nevertheless, after it agreed to open contract negotiations with Chrysler early the following year, the Canadian UAW achieved a two-year contract after only a few days of negotiations, which led to parity returning for all Canadian UAW workers in the Big Three. Chrysler's Canadian workers received approximately an extra \$5 (Canadian) per hour compared to what they received in 1982.²²

The Canadian UAW's 1982 contract negotiations with the Big Three illustrates the affect of militancy during contract negotiations. By refusing to accept concessions, and willing to strike to achieve its goals, the Canadian UAW successfully fought concessions, and won improvements in its members' wages and working conditions. In contrast, the only success that the UAW had during the negotiations was with Chrysler, and it is doubtful whether the UAW would have achieved that if the Canadian UAW accepted concessions from Chrysler. The same pattern continued in the 1984 negotiations with GM. These negotiations led to the break-up of the UAW and the formation of the Canadian Auto Workers.

1984 negotiations/collective bargaining agreements

The UAW first targeted GM in the 1984 Big Three negotiations. The contract that the UAW agreed to was vastly different from all its previous contracts with the Big Three. After a limited strike in which the UAW only targeted a few GM plants, the UAW traded concessions for job security, with workers ratifying the contract by a 58-42 per cent margin.²³

The contracts surrendered the traditional 3% AIF [annual improvement factor] and COLA [Cost of Living Adjustments]. In its place there was to be a \$0.23 per hour increase in the base rate, ... no base increases either in the second or the third year, and lump sum increases of \$600 in the first year and \$300 in the final year of the contract... In return[,] ... the company agreed to put \$1 billion, over a six-year period, into a 'Job Opportunity Bank' to provide assistance to workers for retraining or for transfer to new plants. [In addition, GM agreed] ... to provide longer-term income security to laid-off workers.²⁴

Despite GM's insistence that workers accept concessions, GM offered bonuses to its top officials of over \$1 million, with Chairman Roger Smith receiving a \$1.5 million bonus.²⁵ Ford agreed to the same contract that the UAW negotiated with GM.

GM's proposal to the Canadian UAW was not similar to the one that the UAW agreed to: it was worse, as GM demanded numerous concessions. Not surprisingly, the Canadian UAW rejected GM's proposal and eventually went on strike. However, in addition to fighting GM, the Canadian UAW had to deal with the spoiling tactics of the UAW. Amongst other spoiling tactics, including UAW President Owen Bieber threatening to withhold strike authorisation, Bob White noted in his autobiography that he believed that 'GM was getting a message from Bieber that the corporation didn't have to worry about yielding on wage increases'.²⁶ After White realised this he stated to GM negotiators:

Someone ... thinks that this strike is going to be taken away from us. That's not going to happen... I want to tell you ... that when we go out to the membership this weekend, and I wrap myself in the Canadian flag and talk about Roger Smith's executive bonuses and stock options, we won't have to meet with them again for another six or eight weeks. They'll be so charged up they'll be ready to strike until hell freezes over. Better get that message to Detroit.²⁷

The Canadian UAW did not have to strike until hell froze over. It reached a settlement with GM after a twelve and a half day strike. The settlement was a success for the Canadian UAW. Canadian GM workers received on average a 2.25 per cent wage increase, 'with no elimination of COLA and AIF, although for political reasons it was now called

special Canadian adjustment, and workers recovered some of their paid personal holidays' lost during the 1982 Canadian UAW-GM collective bargaining agreement.²⁸ Moreover, the agreement contained subsidised childcare for GM workers, affirmative action programmes, and a 'prepaid legal service to which General Motors contributed three cents an employee for every hour worked'.²⁹

The settlement was a stunning victory for the Canadian UAW in the face of pressure from both GM and the UAW to settle for substantially less than it eventually achieved; Ford accepted the same contract without a fight.³⁰ However, the GM negotiations led to the break up of the UAW. The Canadian UAW initially wanted greater autonomy within the UAW, so that it could conduct 'its own collective-bargaining strategy, independent of any US strategy ... [and] strike authorization would be automatic upon a request from a Canadian director'.³¹ The UAW rejected the Canadian UAW's demand for greater autonomy by a vote of twenty-four to one (Bob White voted for the motion). Following its rejection, White proposed that the Canadian UAW break away from the UAW. Somewhat surprisingly, the motion passed seventeen votes to seven, which led to the formation of the Canadian Auto Workers.³²

The 1979-1984 negotiations: Does militancy matter?

There is considerable debate over the 1979-1984 Canadian UAW-Big Three, UAW-Big Three collective bargaining agreements, primarily over whether the Canadian UAW achieved better contracts due to its militancy or through the healthier state of the Canadian economy in comparison to the US economy.

It is true that the Canadian economy was in a healthier state than the US economy, but does this alone explain the substantial difference in the contracts? Kumar and Holmes argued that 'while the differences in ideology and political culture had relatively inconsequential effects on the bargaining outcomes during the 1960s and 1970s when employment and real wages were rising steadily on both sides of the border, they suddenly assumed a new significance in the recessionary climate of the 1980s'.³³ Likewise, Yates claimed that economic factors combined with government policies in Canada and the US partly explained the success of the Canadian UAW's collective bargaining agreements in comparison to the UAW's.³⁴ For example, in 1979 the US government agreed to bail out Chrysler, but this was conditional on Chrysler's US workforce accepting concessions. Conversely, the Canadian government agreed to grant Chrysler a loan, on

condition that Chrysler invested approximately \$1 billion (Canadian) in Canada over five years and provided job guarantees. However, while the UAW accepted the concessions from Chrysler without a fight, the Canadian UAW mounted a huge electoral campaign against the concessions. Moreover, the Canadian UAW 'sought widespread union and community support for its no-concessions policy ... [and] adopted a strategy of openness and availability to the media in order to place its agenda before the public and into national debates on economic restructuring'.³⁵

Yates argued that despite the varying health of the US and Canadian economies, three factors explained the difference in the contracts. First, the democratic organisational structure of the Canadian UAW, as this allowed Local union leaders access to the national union leaders through the Canadian Council. At Canadian Council meetings, there was discussion of all issues affecting the Canadian UAW. As Ann Frost argued about the CAW and Quebec Councils, which replaced the Canadian Council following the split from the UAW:

It is through these meetings that the CAW's mission of being a member-driven, responsive organization is realised. They also enable members to share in important ways what the union does. Decisions are made at these meeting by delegate vote and since all delegates are elected by their fellow rank-and-file members, considerable control rests in the hands of the CAW's local members.³⁶

This made it very difficult for the Canadian UAW leadership to accept concessions without a backlash from the rank-and-file: '[t]he independence of the Canadian Council from executive or administrative control meant that it could be used to mobilize concerted opposition to leaders while at the same time keeping leaders in touch with the pulse of the membership'. The UAW did not have a similar independent Council and since 'the late 1940s, when a caucus led by Walter Reuther won a bitter factional fight, UAW internal debates have been carefully controlled by the leadership'.³⁷ Bob White paid tribute to the Canadian Council: he claimed it was 'a unique institution; it makes UAW in Canada different and its leadership accountable. It has proven its worth ten times over in the past few years'.³⁸

Second, the UAW's 'collective identity was articulated around nativist US culture and language... This worldwide view identified workers' interests with US interests, including those corporations such as the Big Three'.³⁹ Conversely, the Canadian UAW did not see itself as an ally of business, but as a competitor to it. Third, the Canadian UAW's struggles against the Big Three in the late 1970s 'had prepared the ground work for the 1980s'. In comparison, the UAW accepted concessions without a fight, and the UAW leadership attempted to silence dissidents.⁴⁰

Nevertheless, despite Yates' argument, it is important to analyse the respective states of the US and Canadian economies and auto industries. Canadian labour studies academic Donald Wells noted that in Canada:

the assembly and parts segments of the auto industry expanded during the 1980s; in the US both contracted. Between 1975 and 1990, Canada's share of North American vehicle production rose from 13.9 percent to 15.5 percent while the US share fell from 86.1 percent to 78 percent. Whereas 340,000 US jobs (one-third of the workforce) were lost in the 1979-82 auto industry shakeout, fewer than 15,000 Canadian jobs (one-fifth of the workforce) were lost. Differences in job security widened thereafter: Canadian automotive employment grew throughout the 1980s whereas it fell more than 16 percent between 1987 and 1990 in the US... [Moreover,] 14 Big Three plants closed in the US but none closed in Canada.⁴¹

Both Wells, and Thomas Hyclak and Michael Kolchin argued that there were two main reasons why Canadian workers enjoyed greater job security compared to their US counterparts, and hence the Canadian UAW could achieve better contracts. First, the 1965 Canada-US Automotive Agreement was a 'managed trade agreement which protected [Canadian] jobs by requiring the Big Three to maintain balance between sales and production in Canada'.⁴² Second, labour costs were approximately \$8 per hour cheaper in Canada compared to the US.⁴³ Wells noted that as the Canadian economy slumped, with the auto industry particularly hard hit, and the implementation of the Canada-US Free Trade Agreement in 1989, the Canadian labour movement as a whole, including the CAW became less militant. For example, there was a major reduction of person days lost due to strikes in 'Ontario's transportation equipment sector, which includes the auto industry. By 1994 there were only six stoppages involving 395 workers in the entire sector. In 1995 there were nine stoppages'. This compared to 400,000 person days lost in 1984, and approximately 280,000 in 1987.⁴⁴

The above partially validates the argument that the state of the economy is a factor in determining the level of labour militancy, and in unions achieving good collective bargaining agreements. However, at the same time, it is important to note that the UAW traded concessions for job security. Yet, as Wells noted, between 1979 and 1982, 340,000 jobs (33 per cent of the workforce) were lost in the US auto industry, while between 1987 and 1990, US automotive employment fell 16 per cent. Thus, the UAW was not successful in preventing job losses. It was a lose-lose situation for UAW workers. There was deterioration in their wages and working conditions, as well as a decrease in job security. While the weak state of the US economy did partly lead the UAW accepting concessions, during the same period, it is wrong to assume that the Canadian economy was in a healthy state. As previously mentioned, the 1982 Canadian UAW-GM negotiations occurred at a time when 'industry layoffs and downtime were at peak levels', with GM

laying-off over fifteen hundred Ontario workers a few days before the negotiations with the Canadian UAW began. The success of the Canadian UAW's collective bargaining agreements with the Big Three in 1982, including a stunning victory against Chrysler, cannot just be due to the healthier state of the Canadian economy. As Yates argued about the 1979-1984 negotiations as a whole:

There is little doubt that the recovery of the auto industry in mid-1983 bolstered the Canadian UAW's no-concession fights against Chrysler, GM, and others in the post-1983 period. But considering that the Canadian UAW's no-concession strategy was articulated in 1981 during the darkest days of the recession and at a time when Chrysler really did look to be on the verge on bankruptcy, it is unlikely that slightly less depressed economic conditions gave Canadian autoworkers more courage to resist this and other companies' demands.⁴⁵

Moreover, Canadian auto plants export the majority of vehicles they produce to the US. For example, in 1985, 'GM Canada assembled 841 446 vehicles ... in Canada, only 183 721 of these vehicles [approximately 22 per cent] were actually sold in Canada, the rest being exported for sale in the USA'.⁴⁶ Thus, weak economic conditions in the US, irrespective of the state of the Canadian economy, would affect the Canadian UAW's (and subsequently the CAW's) bargaining strength in addition to the UAW's bargaining strength, as there would be less demand from US consumers for new vehicles. While cheaper labour costs in Canada would favour the Canadian UAW in comparison to the UAW, if the state of the economy were the crucial factor in collective bargaining agreements, the weak US economic conditions during the 1979-1984 negotiations should have led to the Canadian UAW accepting concessions in an attempt to protect its members' jobs. That it did not, and achieved wage increases for its members, further demonstrates that a union's militancy is crucial in collective bargaining agreements.

1996 negotiations/collective bargaining agreement with General Motors

The CAW's and UAW's respective contracts with the Big Three throughout the rest of the 1980s and 1990s continued the trend of the CAW achieving better collective bargaining agreements than the UAW. In the 1987 agreements with the Big Three, the CAW achieved indexed pensions for the first time with Chrysler, AIF and COLA were retained in the Chrysler agreement and the special Canadian adjustment for Ford and GM, while workers' base wage rate increased by 3 per cent for the first year and 25 cents (Canadian)

in the second and third year of the contracts. In comparison, the UAW achieved a 3 per cent increase in the base pay rate, with lump sum payments in the second and third year of the agreements, expansion of the job opportunity bank, profit sharing, and 'employment and income protection provisions'.⁴⁷ However, US workers' lump sum payments and profit sharing were less than Canadian workers' base pay increases, and new workers received a lower pay scale than existing workers did.⁴⁸ Likewise, in the 1990 contracts, the CAW, after a strike at Ford, achieved a base pay rate increase of 3 per cent for the first year and 2 per cent for the second and third years of the contracts. Moreover, the contract contained 'sweeping job and income-security provisions' including Ford giving the CAW one-year advance warning of any plant closures. Chrysler and GM also agreed to the contract the CAW negotiated with Ford. The UAW's 1990 collective bargaining agreements with the Big Three included a 3 per cent increase in the base pay rate for the first year of the contract, and a 3 per cent performance bonus in the second and third years, and profit sharing.⁴⁹ The 1993 agreements continued the trend of the CAW achieving base pay rate increases, and the UAW achieving a combination of a base pay rate increase for the first year, and lump sum payments in the second and third year of the contracts. The CAW achieved an increase in the base pay rate of 2 per cent for the first year of the contracts, 1.5 per cent for the second year, and 1 per cent for the third year. In comparison, the UAW achieved a 3 per cent base pay rate increase in the first year, and a three per cent lump sum payment in the second and third years. However, the UAW sacrificed '22 cents of its COLA ... to help cover the cost of health benefits. The net result is that real annual increase is close to 2 per cent'. Moreover, while lump sum payments give workers 'immediate cash', there are no increases in the base pay rate. Thus, there is 'no increase in payments for overtime, shift differentials, cost-of-living allowance, vacation pay or other benefits'.⁵⁰ In other words, workers are usually better off with base pay rate increases. The 1996 CAW-GM and UAW-GM negotiations/collective bargaining agreements further continued the trend of the CAW achieving better contracts than the UAW, and further demonstrate that militancy is crucial in collective bargaining.

In 1996, the US economy was in a healthier state than the Canadian economy. For example, the Canadian unemployment rate was 9.7 per cent, compared to the US unemployment rate of 5.4 per cent. Canadian GDP grew by 2.1 per cent in 1996, while US GDP grew by 2.7 per cent for the corresponding period.⁵¹ Thus, while neither economy was buoyant, the US economy was healthier. The key provision in the UAW's collective bargaining agreements with Chrysler guaranteed 'to keep the number of union jobs at 95% of the company's current 105,000 member US hourly work force': the UAW allowed Chrysler to reduce the number of unionised jobs, and the same situation occurred with Ford as the company previously agreed to the 95 per cent level.⁵² Following its settlement with Chrysler, the UAW began negotiations with GM. Industry analysts predicted that it

was unlikely GM could match the contract provision in which Ford and Chrysler agreed to not reduce its workforce by more than five per cent.⁵³ The main obstacle during the negotiations was that GM did not want to include twelve plants it was planning to close in the 95 per cent level.⁵⁴ Following strikes at key GM production plants, GM agreed to match the Ford contract, including the 95 per cent of the existing workforce provision.⁵⁵ While on the surface the contract appears a “victory” for the UAW, a closer examination reveals otherwise. Numerous loopholes allowed GM to reduce its workforce by more than five per cent. The contract provisions allowed GM to do this and not be in breach of the contract if it reduced ‘jobs as it makes factories more efficient, if market share declines, if it sells uncompetitive plants, or if it goes ahead with previously announced plant closings’.⁵⁶ Moreover, the UAW agreed to ‘renew its “living agreement” approach, whereby top management and the pinnacle of the union hierarchy can change local working conditions (flexibility) at will, and to permit unbounded overtime and outsourcing, they also agreed to introduce a new element of wage flexibility granted earlier to Ford, allowing the pay of workers in its part plants to fall behind those in assembly over time’.⁵⁷ The contract allowed GM to reduce the unionised workforce by more than five per cent, for the further implementation of lean production methods, and the UAW agreed to an unequal wage level for its GM workers. The collective bargaining agreement was hardly a success for UAW GM workers. Indeed, the UAW’s only success was achieving a \$2000 ratification bonus for its GM workforce, and a 3 per cent increase in the base wage rate for the second and third years of the contract, ‘marking the first time in over a decade it has won annual pay increases for more than one year’.⁵⁸ During the same period, in every collective bargaining agreement with the Big Three, the Canadian UAW/CAW achieved an increase in the base pay rate for each year of the contracts.

The CAW negotiations with GM began after the CAW reached an agreement with Chrysler in which Chrysler agreed not to reduce its workforce. Outsourcing was the main issue during the negotiations, as the CAW hoped to limit the number of jobs that GM outsourced.⁵⁹ While industry analysts believed that GM could successfully deal with a strike due to the company’s financial reserves and the limited CAW strike fund, this did not deter CAW GM workers, who voted overwhelmingly (92 per cent) to give the CAW leadership strike authorisation.⁶⁰ GM refused to accept the same deal the CAW negotiated with Chrysler, and the CAW refused to compromise, which led to CAW GM workers going on strike.

To help the striking workers, a CAW convention approved the doubling of dues for non-GM members for the duration of the strike, and the United Steelworkers provided financial assistance to the CAW.⁶¹ The CAW employed militant tactics as part of its strategy. When GM attempted to move production equipment from a struck plant to

resume production elsewhere, CAW members staged a sit-in. This action had widespread community support. As CAW official Dave Robertson noted:

We ... saw solidarity in how the community responded. We were not seen as an isolated aristocracy of labor, but as a social movement that was fighting to preserve communities. And that has to do with how we defined the union.⁶²

The two sides eventually compromised after a twenty-one day strike. Under the terms of the settlement, GM reversed its decision to outsource 814 jobs in its Ontario and Quebec plants. GM extended the life of another plant, which led to the retention of a 1000 jobs and the creation of another 400 hundred jobs, but it could sell two plants that employed 3500 CAW members. However, while the CAW allowed GM to sell the plants, the contract stated that the new plant owners must abide by the CAW-GM contract. Workers who wished to retire were 'offered lucrative early-retirement packages', while workers who remained at the plants were 'guaranteed the same pension benefits as GM employees' for nine years.⁶³ Another win for CAW GM workers was that GM agreed to provide 'health-care benefits for the live-in partners of gay and lesbian employees'. Under the terms of the contract, 'same-sex partners of GM's 26,000 Canadian hourly employees ... [could] receive the health-care benefits already offered to workers' married spouses or heterosexual partners'. This provision in the contract was groundbreaking because in the US, GM did not provide these benefits to live-in partners of GM workers if they were the opposite sex, let alone the same sex.⁶⁴ Moreover, workers received a 2 per cent increase in their base pay rate for each year of the contract. Ford accepted the same contract without a fight.⁶⁵

Thus, while the UAW agreed to grant management greater flexibility, and allowed GM to reduce its workforce, the CAW achieved an agreement that led to no job losses, but the creation of jobs. The UAW allowed wage differentiation between its assembly line and its auto-part plants workers, but the CAW, even where it allowed GM to sell two plants, ensured that its contract with GM covered the workers in those plants. There is no comparison between the two agreements. Despite the healthier state of the US economy, the CAW achieved a superior contract with GM (and Chrysler and Ford) compared to the UAW. This further demonstrates that while the state of the economy may have some bearing on collective bargaining agreements, a union's militancy, and its preparedness to stand up in the face of threats by employers is the most important factor. The CAW's militancy in its collective bargaining negotiations with the Big Three was an undoubted benefit to its members. As US labour writer Kim Moody argued, the lesson learnt by the CAW's struggle against concessions and lean production, while the UAW embraced them, was that 'resistance matters, particularly when the union leadership is willing to stick to

its guns, and that elements of lean production or competitiveness the company sees as essential can be stopped or modified'.⁶⁶

Conclusion

The 1979-1996 UAW and Canadian UAW/CAW collective bargaining agreements with the Big Three automakers, demonstrated that the Canadian UAW/CAW consistently achieved better contracts for its members than the UAW. While the healthier state of the Canadian economy, and the role played by the Canadian and US governments did contribute to the Canadian UAW's successes and the UAW's failures during the 1979-1984 negotiations, it is a mistake to believe these were the crucial factors in explaining the differences in the contracts. As I demonstrated, the crucial factor for the period 1979-1984 was the Canadian UAW militancy during collective bargaining and its us versus them mentality when it came to dealing with business, which led it to refusing to accept concessions and to fight for a decent contract for its members. In comparison, the UAW leadership quickly accepted concessions and refused to fight for better wages and working conditions for its members. The CAW's success after 1984 further demonstrates that militancy is crucial in collective bargaining. It is for this reason that the Canadian UAW and then the CAW continually achieved better collective bargaining agreements than the UAW.

Endnotes

- ¹ I would like to thank Rick Kuhn and Dennis Deslippe who commented on an earlier version of this paper.
- ² Pradeep Kumar and John Holmes, 'Change, but in what Direction? Divergent Union Responses to Work Restructuring in the Integrated North American Auto Industry' in Frederic C. Deyo (ed.) *Social Reconstructions of the World Automobile Industry*, MacMillan Press, NY, 1996, p.171.
- ³ All figures are in US dollars unless otherwise indicated.
- ⁴ John Holmes and A Rusonik, 'The break-up of an international labour union: uneven development in the North American auto industry and the schism in the UAW', *Environment and Planning A*, vol. 23, 1991, pp.20-1; Charlotte Yates, >*From Plant to Politics: The Autoworkers Union in Postwar Canada*, Temple University Press, Philadelphia, 1993, p.195.
- ⁵ Holmes and Rusonik, p.21.
- ⁶ Holmes and Rusonik, p.21.
- ⁷ Yates, p.196.
- ⁸ Yates, p.197.
- ⁹ Lee Iacocca quoted in Holmes and Rusonik, p.22.
- ¹⁰ Yates, p.204.
- ¹¹ Yates, p.204; Holmes and Rusonik, p.22.
- ¹² Holmes and Rusonik, p.24; Daniel Benedict, 'The 1984 GM Agreement in Canada: Significance and Consequences', *Relations Industrielles*, vol.40, no.1, 1985, pp.30-1.
- ¹³ Sam Gindin, 'Breaking Away: The Formation of the Canadian Auto Workers', *Studies in Political Economy* 29, Summer 1989, p.75; Yates, *From Plant to Politics*, p.209.
- ¹⁴ See Bob White, *Hard Bargains: My Life on the Line*, McClelland and Stewart, Ontario, 1987, p.203 for White's claim that the UAW was attempting to undermine the Canadian UAW's negotiations with GM.
- ¹⁵ Yates, p.209; Holmes and Rusonik, p.25.
- ¹⁶ Yates, p.209; White, p.209.
- ¹⁷ White, pp.210-2.
- ¹⁸ Holmes and Rusonik, p.23.
- ¹⁹ Holmes and Rusonik, p.23.
- ²⁰ White, p.221.
- ²¹ White, pp.236-7; Holmes and Rusonik, p.23; Yates, pp.209-10; Benedict, p.31.
- ²² White, pp.250-1.
- ²³ Yates, p.227; Holmes and Rusonik, p.26; Glenn Perusek, 'The US-Canada Split in the United Automobile Workers', in Barbara D. Dennis (ed.) *Industrial Relations Research Association Series*, Proceedings of the Forty-First Annual Meeting, NY, December 28-30,1998, p.273.
- ²⁴ Homes and Rusonik, p.26.
- ²⁵ Benedict, p.32.
- ²⁶ White, p.271.
- ²⁷ White, p.272.
- ²⁸ White, pp.278-9; Yates, p.227; Holmes and Rusonik, p.26; Perusek, pp.274-5; Benedict, pp.34-5.
- ²⁹ White, p.279; Benedict, p.35; Yates, p.227.
- ³⁰ White, p.279.
- ³¹ White, p.281.
- ³² White, pp.288-90.
- ³³ Kumar and Holmes, p.170.

³⁴ Yates, p.229.

³⁵ Charlotte Yates, 'The Internal Dynamics of Union Power: Explaining Canadian Autoworkers Militancy in the 1980s', *Studies in Political Economy* 31, Spring 1990, p.99.

³⁶ Ann C Frost, 'Union Involvement in Workplace Decision Making: Implications for Union Democracy', *Journal of Labor Research*, vol.21, no.2, Spring 2000, pp.279-80.

³⁷ Yates, *From Plant to Politics*, p.230; Stephen Herzenberg, 'Whither Social Unionism? Labor and Restructuring in the US Auto Industry' in Jane Jenson and Rianne Mahon (eds.) *The Challenge of Restructuring: North American Labor Movements Respond*, Temple University Press, Philadelphia, 1993, p.322.

³⁸ Bob White quoted in Benedict, p.37.

³⁹ Yates, >*From Plant to Politics*, p.230.

⁴⁰ Yates, *From Plant to Politics*, p.231.

⁴¹ Donald M Wells, 'When Push Comes to Shove: Competitiveness, Job Insecurity and Labour-Management Cooperation in Canada', *Economic and Industrial Democracy*, vol.18, no.2, 1997, p.174.

⁴² Wells, p.175; Thomas Hyclak and Michael G Kolchin, 'The Drive for Autonomy by Canadian Auto Workers' n Barbara D. Dennis (ed.) *Industrial Relations Research Association Series*, Proceedings of the Forty-First Annual Meeting, NY, December 28-30,1998, p.268.

⁴³ Wells, pp.175-6; Hyclak and Kolchin, p.268.

⁴⁴ Wells, pp.180-1.

⁴⁵ Yates, *From Plant to Politics*, p.229.

⁴⁶ Holmes and Rusonik, p.15.

⁴⁷ Yates, *From Plant to Politics*, p.226.

⁴⁸ Yates, *From Plant to Politics*, p.245; Harry C Katz and Noah M Meltz, 'Profit Sharing and Auto Workers' Earnings', *Relations Industrielles*, vol.46, no.3, 1991, p.522.

⁴⁹ Yates, *From Plant to Politics*, pp.226, 245-6; Katz and Meltz, pp.526-7.

⁵⁰ *The Globe and Mail*, November 3 1993.

⁵¹ 'Canada', *OECD Economic Outlook*, June 1997, p.73; 'United States', *OECD Economic Outlook*, June 1997, p.43.

⁵² *The Wall Street Journal*, September 17 1996; *Chicago Sun-Times* September 30 1996.

⁵³ *Los Angeles Times*, September 17 1996; *The Wall Street Journal Europe*, September 18 1996.

⁵⁴ *The Washington Post*, October 31 1996.

⁵⁵ *The Wall Street Journal*, November 4 1996.

⁵⁶ *The Wall Street Journal*, November 7 1996.

⁵⁷ Kim Moody, *Workers in a Lean World*, Verso, London, 1997, p.108.

⁵⁸ *The Wall Street Journal*, November 4 1996; *Chicago Tribune*, November 5 1996.

⁵⁹ Tom Fennell, 'Upbeat on the line', *MacLean's*, October 28 1996, p.36; *The Globe and Mail*, July 15 1996.

⁶⁰ *The Globe and Mail*, September 19 1996; *The Financial Post*, October 5 1996; *The Toronto Star*, August 26 1996.

⁶¹ *The Financial Post*, October 19 1996; *The Wall Street Journal*, October 21 1996.

⁶² Dave Robertson quoted in Moody, p.278.

⁶³ *The Toronto Star*, October 23 1996; *Los Angeles Times*, October 23 1996.

⁶⁴ *Los Angeles Times*, October 23 1996; *The Dallas Morning News*, October 24 1996.

⁶⁵ *The Toronto Star*, October 23 1996; *The Globe and Mail*, November 7 1996.

⁶⁶ Moody, *Workers in a Lean World*, p.108.