

# Tories take aim at “lifeblood” of unions (with video)

## Unions decry plan as attack

By Grace Macaluso, The Windsor Star

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CAW Local 200 president Chris Taylor at one of the most important sites in the labour movement, Riverside Drive East and Drouillard Road Thursday July 26, 2012. In 1945, Ford workers and UAW members and supporters formed a blockade at Ford of Canada during a labour dispute. The resolution lead to the Rand Formula. Photograph by: Nick Brancaccio, The Windsor Star

On the morning of Sept. 12, 1945, 10,000 hourly employees at Ford Motor Co.’s sprawling plant at the corner of Drouillard Road and Riverside Drive walked off the job after 18 months of contract talks between the United Auto Workers and the carmaker broke off.

The historic dispute would span 99 days and revolutionize Canada’s labour laws by spawning the Rand formula - the “lifeblood” of unions.

Fast forward to 2012, and the formula, which entrenched the closed union shop, requiring all workers to pay union dues, would be dismantled under labour law changes proposed by the Ontario Conservatives.

“Workers today are a lot different from workers in 1946 when RAND came about,” said Tim Hudak, Conservative leader. “They’re more sophisticated, more talented, more highly skilled and want to make their own decisions about how their money is spent and what organizations they want to belong to. I think the vast majority of Ontarians would say it was wrong if somebody could be fired because they refuse to join a union.”

Modifying Rand is part of a package, entitled Paths to Prosperity: Flexible Labour Markets, a policy paper aimed at modernizing Ontario’s “outdated” labour laws, said Hudak. “The paper is about creating jobs and attracting investment into Ontario,” he said. “We’ve lost 300,000 manufacturing jobs. Ontario, now, is dead last in job creation when we should be first. The Ontario PCs are looking at a comprehensive plan that will make Ontario the leader again that includes affordable energy, lower taxes, a pro-growth, pro-jobs attitude in government, including reducing burdensome red tape and modernizing labour laws which reflect an era of the 1940s and 50s.”

Labour leaders, however, view the Tory plan as nothing more than an unprecedented, ideologically-driven attack on unions.

“It’s an existential battle for the labour movement,” said Sid Ryan, president of the Ontario Federation of Labour. “Without the Rand formula the labour movement would wither away. If you don’t have to pay your dues, it’s human instinct to say to yourself, ‘I’m going to save myself \$1,000 a year.’ So, Hudak knows this is the lifeblood of the labour movement.”

As well as giving workers the choice to pay union dues, the Tory proposal would impose secret ballots on certification votes and end the practice requiring employers to deduct union dues from workers’ pay cheques.

Hudak’s objective has nothing to do with job creation, said Ryan. Instead, the Conservative leader wants Ontario to emulate American right-to-work states with their diluted labour laws and lower wages.

“That leaves us with a vulnerable workforce, which we think is part of his agenda to drive down wages, drive down benefits,” he said. “What he’s proposing won’t save or create one single job in Ontario.”

While the Conservative policy paper points to U.S. Bureau of Economics figures, showing that right-to-work states enjoyed higher average yearly economic growth rates compared to states with mandatory unionism, median hourly wages in right-to-work jurisdictions were 9.4 per cent lower.

According to Hudak, the higher Canadian dollar relative to the U.S. greenback means companies can no longer afford “rigid union contracts.”

Ontario can expect to watch helplessly as more and more companies move their operations out of the province, he warned.

Case in point: the dispute earlier this year between the CAW and ElectroMotive Canada, a railcar producer owned by a subsidiary of the highly profitable Caterpillar Inc., which closed its London, Ont., plant after the union representing 460 locked out workers refused to accept company demands that would have cut hourly wages from \$34 to \$16.50, said Hudak.

“We have two choices — we stay on the path where we’re seeing a shrinking of the middle class, loss of good jobs increasingly going to the States, or we try and modernize the laws, get more flexible agreements that attract new investment and new jobs.”

While he refused to comment directly on the Tory proposals, Don Drummond, former chief economist with Toronto-Dominion Bank, said the Caterpillar dispute reflects a broader, more disturbing trend — the downward pressure on manufacturing wages in the United States and Canada.

“It’s a worrying phenomenon,” said Drummond. “Do the math — at \$17 an hour, working full time, good luck raising a family and saving for your kids’ education and your retirement.”

Caterpillar is a perfect example of the kind of phenomenon that’s hitting other countries, which now is hitting Canada — about 10 years after the United States, he said.

But blaming unions for Ontario’s economic woes is simplistic, said Drummond. Canada’s lower productivity compared to the U.S. makes it difficult to support current wage levels, he said.

“By international standards, Canada, Ontario, in the manufacturing field, has relatively high wages,” he said. “That could be supported if we had relatively high productivity, but alas, we don’t. We haven’t for a long time. In fact we’re slipping behind others seemingly every year. That’s the key issue.”

Still, Hudak’s proposals are being welcomed by employer groups.

“Our members are in support of allowing workers to opt out of paying dues,” said Satinder Chera, vice-president for Ontario at the Canadian Federation of Independent Business. “Canada is one of those rare countries where workers are forced to join unions and pay dues. Europe, the U.S., Australia — all these countries provide workers with a choice.”

If unions are “so important, they should be able to stand on their own two feet,” said Chera. “If there’s a high level of satisfaction, people will buy what you’re selling them.”

At the Windsor-Essex Regional Chamber of Commerce, president Matt Marchand would not go so far as to endorse the controversial aspects of the Tory proposals, but said “there was no harm in revisiting the laws from time to time.”

“Laws put in place are living and breathing,” he said. “We live in the global world so it makes sense to revisit them and ask the question ‘are we going in the right direction?’”

Ontario will be headed for a showdown with labour if Hudak’s proposals see the light of day, warned Ryan.

“There are a million unionized workers in Ontario, and each and every one of them will be feeling vulnerable in terms of what will happen to them in their workplaces,” said Ryan. “They understand what stands between them and the lowering of their wages and putting them at the mercy of an employer is the union that is democratically voted.

“I think there’s an army of activists out there who will be willing to take on this fight.”

A plaque commemorating the 1945 Ford strike stands at the corner of Riverside Drive and Drouillard Road. As president of CAW Local 200, which represents Ford workers in Windsor and Essex County, Chris Taylor takes “personal exception” to Hudak’s proposals.

“He is attacking something Local 200 was directly responsible for,” said Taylor.

Unions today are more relevant than ever, he said, adding that shifting the balance of power will erode workers’ rights and continue the hollowing out of the middle class.

“Unions helped build the middle class in this country,” said Taylor. “What kind of jobs is Hudak expecting we’re going to see by reducing the power of unions?”

Although in poor health, a few of the old soldiers of the 1945 strike are still around, he noted. Lyle Dotzer, now in his 90s, was among the strikers who created the famous traffic jam that ran 20 blocks long and brought the city to its knees. “If he was able to respond, I can’t imagine the anger that would be coming from him,” said Taylor.

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