

TOWARDS A COOPERATIVE COMMONWEALTH? LABOR AND RESTRUCTURING  
IN THE U.S. AND CANADIAN AUTO INDUSTRIES

by

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## ABSTRACT

In the mid-1980s, the Canadian region of the United Auto Workers (UAW) union seceded from the U.S.-dominated UAW International to form a separate union, the Canadian Auto Workers (CAW). To understand the origins and consequences of the UAW split, this dissertation examines the evolution of auto industrial relations in the U.S. and Canada from the 1930s to the end of the 1980s. From a broader perspective, the cross-national industry study in this dissertation offers insights into the alternative possible outcomes of the transformation of industrial relations and labor markets taking place throughout the advanced countries.

To incorporate the critical variables that distinguish the U.S. and Canadian auto industries past and present, the theoretical framework employed here supplements the U.S. auto industrial relations systems framework developed by Katz (1985) with four additional variables: informal shop floor relations, internal union dynamics, the independent parts sector, and the labor movement's role in politics and society. Labelling this broader framework a sectoral pattern of development, the dissertation argues that recent institutional changes in the North American auto industry could ultimately produce either of two fundamentally different patterns of development. A "segmented" pattern would contain loosely-federated company or plant-level unions integrated into management and representing only (some) workers in (some) leading firms. These unions would have little role in regulating wages and labor standards among firms, and little role in national and regional politics. They would be surrounded by a multi-tiered, non-union supplier industry, the firms in which would compete based substantially on keeping wages low and work standards high. The alternative or "inclusive" pattern would be characterized by unions that are more independent of management, that represent workers throughout the industry and that retain the inter-plant and inter-company ties characteristic of industrial unions. These ties would enable union officials to bargain for domestic, sector-wide contractual restraints on wage and low-labor-standard competition. These ties would also facilitate union efforts to create state policies that support skill-based competitive strategies, inhibit low wage strategies and limit segmentation in the labor market as a whole.

After introducing the argument above in Part I, the dissertation develops it in three additional stages. Part II presents a history of auto industry developments in the U.S. and Canada from the formation of the UAW in the 1930s to its division into separate national unions in the 1980s. This history identifies four mutually reinforcing institutional differences between the U.S. and Canada that

have moved the Canadian industry towards a relatively more inclusive pattern of development than the U.S.: the preservation of somewhat stronger collective traditions in Canadian plants; the maintenance of stronger ties between Canadian secondary and national leaders due to the region's distinct internal structure and unifying militant and left nationalist ideologies; the more complete deunionization of the auto supplier sector and decay of pattern bargaining in the U.S.; and the relative strength of the Canadian labor movement as a whole.

Part III retraces in two plants of the same company the national story of U.S. and Canadian auto industry development from 1930 to 1980. Based on in-depth analysis of contemporary shop floor dynamics at each plant, Part III then argues that three qualitatively distinct types of workplace relations could emerge from the introduction of "teamwork" now taking place in the North American auto industry. The three possibilities identified are a "subordinate union" alternative in which workers and union officials accept the primacy of management goals because they see plant competitiveness as the prime determinant of their own job and income security; a "negotiation model", in which managers seek to develop and use workers' knowledge for competitive reasons yet workers retain an attachment to goals distinct from management's and the confidence to demand concessions from their employer in exchange for on-the-job cooperation; and an "autocratic" model in which teams and the elimination of seniority-based work rules would represent a return to the supervisory domination and favoritism of weak or pre-union days. Within a segmented pattern of development, subordinate union workplace relations would prevail in most assembly firms and autocratic relations would be common in suppliers. Within an inclusive pattern, the negotiation model of workplace relations would exist throughout most of the industry.

Part IV integrates the field research with insights from secondary literature in developing the overarching argument of the dissertation. It also reviews recent efforts in the U.S. and Canada to construct sectoral institutions and establish public policies that would produce a more inclusive pattern of development within the auto sector and more broadly.

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## FOREWORD

After conducting three weeks of interviews at a Kitchener, Ontario, automobile stamping plant in May 1986, I described to my friend Emine Kiray the combination of charisma, protective instincts and opportunism that I had found in the most prominent group of informal leaders at the plant. On hearing the description, Emine said simply "McMurphy." The more I thought about it, the more it struck me that her reference to the protagonist of Ken Kesey's novel, One Flew Over the Cuckoo's Nest (brought to life by Jack Nicholson in the movie) suggested a powerful metaphor for shop floor dynamics as a whole and for what is at stake in the current transformation of work in North American industry.

In the early days of the Kitchener stamping plant, management employed piece rates and an intimidating supervisory approach in its efforts to maximize output. In reaction to management's approach and the physical demands of the work, the local union grew progressively more cohesive and defiant. In 1978, 11 years after the plant opened, workers halted production 68 times to put pressure on management in disputes over everything from piece rates to supervisory abuse to a demand for payment for time spent on a work stoppage the previous day. The volatile 1970s left behind in the plant an unusually prominent group of McMurphies--or "shit disturbers" (people who stir things up) as they were called within the plant. The role of this group as spokesmen for other workers and the open way it challenged managerial authority meant that quieter workers interviewed in 1986 also spoke with confidence. The presence of McMurphies made it possible for the Billy Bibbits of the plant to speak without stuttering. Though they did not recognize where it came from, managers as well as workers spoke with affection of the sense of community that came with the strength of the union on the shop floor.

For all the inadequacies of the UAW's role on the shop floor in the past, and for all the social and economic deficiencies of the production system of which this role was a part, the union's fragile alliance with informal leaders who stood up to management did--in some plants, at some points in time--give workers a small part in shaping the conditions of their own existence, a measure of self-confidence and dignity. In our current preoccupation with the issue of competitiveness, we would do well to recognize that one of management's central aims in the ongoing reorganization of manufacturing work is to break the union's fragile alliance with shop floor activists.

As the example of Japan suggests, management's success at persuading union officials and informal leaders to accept the primacy of corporate goals might yield economic

benefits--although there are reasons to think that the fragmentation of industrial unions would produce a less dynamic productive system in North America. But however productive the result, the end of union independence would mean that the economic structure had not been shaped by all within society. Expressed or not, this would leave many without the confidence and sense of worth that comes to those who have, in part, made their own world. As in Kesey's Cuckoo's Nest, some would suffer in silence; some would speak in halting words; a few would understand and rebel against the social control that surrounds them. But each and every one of us would be the poorer for our collective failure to create a social structure that develops rather than deforms those within it.

Stephen Herzenberg  
January 1991



LIST OF ACRONYMS AND ABBREVIATIONS

|      |   |
|------|---|
| AIF  | Annual Improvement Factor   |
| CAW  | National Automobile, Aerospace and Agricultural<br>Implement Workers of Canada          |
| CB   | Collective Bargaining (as in CB Convention)   |
| CC   | Constitutional Convention of the UAW  |
| CCF  | Canadian Commonwealth Federation  |
| CLC  | Canadian Labor Congress   |
| COLA | Cost of Living Allowance  |
| GEN  | Guaranteed Employment Number  |
| GM   | General Motors Corporation  |
| IEB  | International Executive Board of the UAW  |
| NDP  | New Democratic Party  |
| OFL  | Ontario Federation of Labor   |
| PR   | President's Report (as in PR to the UAW CC)   |
| RC   | Resolutions Committee   |
| SUB  | Supplementary Unemployment Benefits   |
| UAW  | International Union, United Automobile, Aerospace<br>and Agricultural Implement Workers |
| VRA  | Voluntary Export Restraint Agreement  |



**PART I.**

**INTRODUCTION**



CHAPTER 1: MULTIPLE FUTURESA. The Transformation of North American Industrial Relations

Over the past decade, intensified international competition, the example of the "Japanese model of production" and the diffusion of flexible automation have helped precipitate fundamental changes in industrial relations within manufacturing firms throughout the western advanced countries (Piore and Sabel 1984; Boyer 1989). Reflecting the common technological and competitive pressures faced by these countries, there are important similarities in the trends towards decentralized industrial relations and flexible work organization in the United States, Canada and Europe. At the same time, labor relations in the advanced countries are not yet converging. In North America, figures on union coverage provide the most telling evidence of this. Between 1978 and 1987, union coverage in Canada remained between 37 and 40 percent. In the U.S., it dropped from 25 to 17 percent (see table 1.1 and figure 1.1). National context continues to mediate the impact of markets, technology and managerial strategy on industry and industrial relations.

Attempts to understand the roots and implications of recent changes in labor relations in the U.S. have led Kochan, Katz and McKersie (1986) to broaden the static "industrial relations (IR) systems" framework derived from Dunlop (1958). These leading U.S. scholars' three-tiered

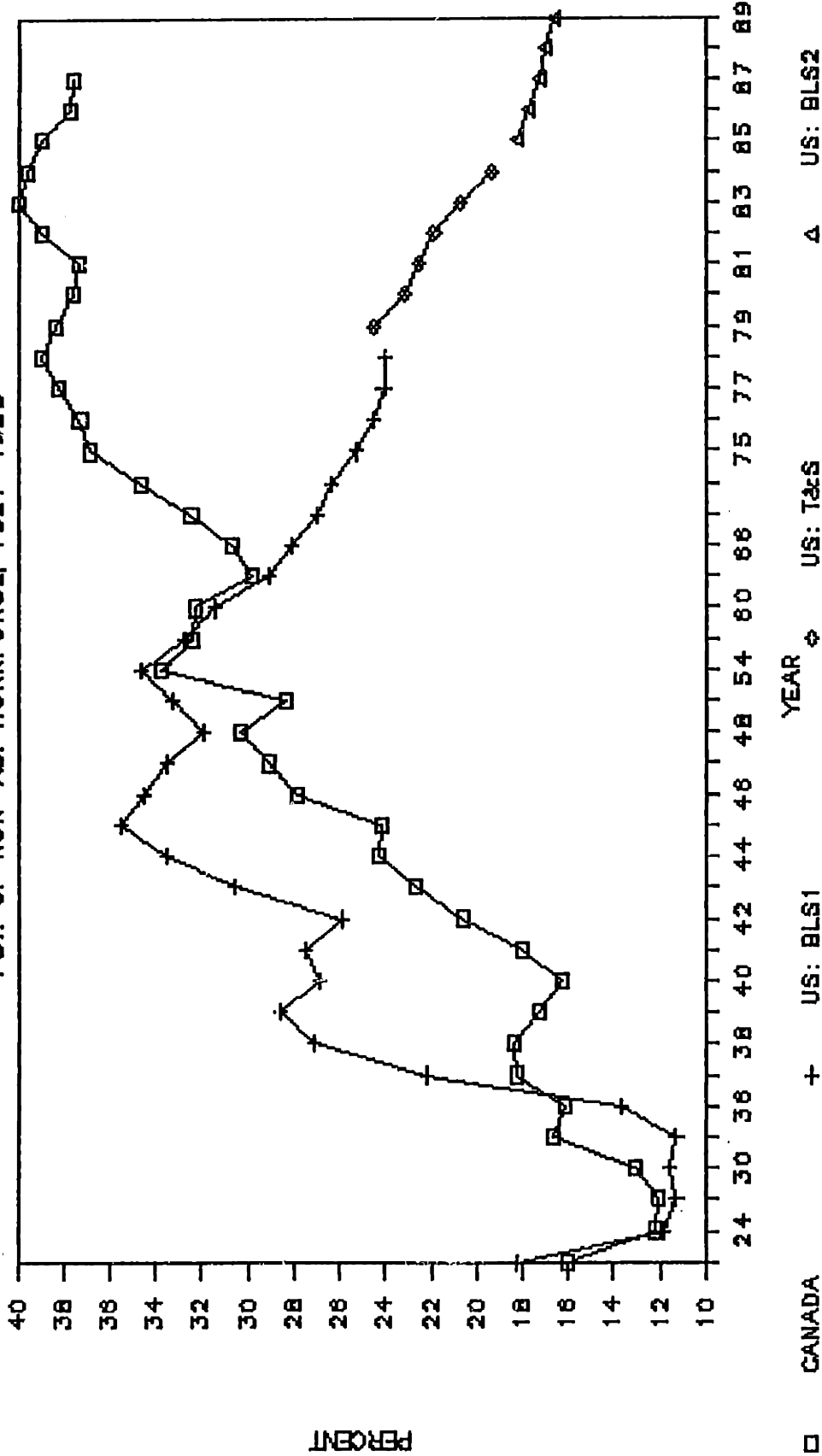
TABLE 1.1: UNION COVERAGE IN CANADA AND THE UNITED STATES

| Year | Canada | United States |                 | BLS 2 |
|------|--------|---------------|-----------------|-------|
|      |        | BLS 1         | Troy & Shefflin |       |
| 1921 | 16.0   | 18.3          |                 |       |
| 1924 | 12.2   | 11.9          |                 |       |
| 1927 | 12.1   | 11.3          |                 |       |
| 1930 | 13.1   | 11.6          |                 |       |
| 1933 | 16.7   | 11.3          |                 |       |
| 1936 | 16.2   | 13.7          |                 |       |
| 1937 | 18.2   | 22.2          |                 |       |
| 1938 | 18.4   | 27.1          |                 |       |
| 1939 | 17.3   | 28.6          |                 |       |
| 1940 | 16.3   | 26.9          |                 |       |
| 1941 | 18.0   | 27.5          |                 |       |
| 1942 | 20.6   | 25.9          |                 |       |
| 1943 | 22.7   | 30.6          |                 |       |
| 1944 | 24.3   | 33.6          |                 |       |
| 1945 | 24.2   | 35.5          |                 |       |
| 1946 | 27.9   | 34.5          |                 |       |
| 1947 | 29.1   | 33.5          |                 |       |
| 1948 | 30.3   | 31.9          |                 |       |
| 1951 | 28.4   | 33.3          |                 |       |
| 1954 | 33.8   | 34.7          |                 |       |
| 1957 | 32.4   | 32.8          |                 |       |
| 1960 | 32.3   | 31.4          |                 |       |
| 1963 | 29.8   | 29.1          |                 |       |
| 1966 | 30.7   | 28.1          |                 |       |
| 1969 | 32.5   | 27.0          |                 |       |
| 1972 | 34.6   | 26.4          | 28.8            |       |
| 1975 | 36.9   | 25.3          | 28.9            |       |
| 1976 | 37.3   | 24.5          | 27.9            |       |
| 1977 | 38.2   | 24.1          | 26.2            |       |
| 1978 | 39.0   | 24.0          | 25.1            |       |
| 1979 | na     |               | 24.5            |       |
| 1980 | 37.6   |               | 23.2            |       |
| 1981 | 37.4   |               | 22.6            |       |
| 1982 | 39.0   |               | 21.9            |       |
| 1983 | 40.0   |               | 20.7            | 20.4  |
| 1984 | 39.6   |               | 19.4            | 19.1  |
| 1985 | 39.0   |               |                 | 18.3  |
| 1986 | 37.7   |               |                 | 17.8  |
| 1987 | 37.6   |               |                 | 17.3  |
| 1988 |        |               |                 | 17.0  |
| 1989 |        |               |                 | 16.6  |

## NOTES:

1. Canadian data: Labour Canada, Directory of Labor Organizations in Canada, various years. Before 1950, the data reported are for December 31 of that year. After 1950, the data reported are for January 1. The 1979 survey was not conducted.
2. U.S. data: BLS 1 is from U.S. DOL, 1979 (BLS Bulletin 2079). Troy and Shefflin data are from U.S. DOL, Employment and Earnings, January, various years. While BLS 1 and Troy and Shefflin are based on comparisons of membership data (as reported by unions) with figures for the non-agricultural labor force, BLS 2 is based on questions about union status asked as part of the CPS sample survey.

FIG. 1.1: UNION MEMBERS, US & CANADA  
 PCT. OF NON-AG. WORKFORCE, 1921-1989



Note that union coverage is shown every year for the periods 1936-48 and 1975-89 but only every 3 years in the periods 1921-36 and 1948-75. Source: table 1.1.

IR system incorporates management strategic decision-making and (formal) shop floor relations above and below the study of collective bargaining that preoccupied U.S. IR scholars from 1960 to 1980. Adding strategic investment decisions to their model enables Kochan et al. (1986) to explain the way corporate opposition to unions cumulatively eroded organized labor's position in U.S. manufacturing in the 1970s and 1980s. With this exception, however, Kochan et al. continue to describe how exogenous technology, market and workforce composition variables have determined the changes in industrial relations observed within major U.S. manufacturing firms in the 1980s. Their framework cannot, therefore, explain why similar exogenous pressures have produced different results in Canada (and other industrialized market economies). Nor does it explore how politics, union strategy, and worker perceptions and actions interact with management strategy, markets and technology to shape the transformation of industrial relations.

Some economists and political scientists have turned their attention to the way national context has mediated the impact of common environmental pressures on labor relations in the U.S. and Canada. Weiler (1983 and 1984) and Meltz (1983) point to differences in labor law that enable Canadian workers to gain union recognition without the prolonged campaign period that U.S. employers use to discourage pro-union votes. Lipset (1986a and 1986b)



argues that ever since the American revolution and the Canadian colonies decision not to join it, Canadian political and social culture has been more communitarian and thus consonant with unions than U.S. individualism. Bruce (1988 and 1989) maintains that a highly federalized parliamentary political structure has enabled the minority, labor-allied third party in Canada more influence than the liberal wing of the Democratic party in the U.S. at comparable levels of popular support. Huxley et al. (1986) and Lipsig-Mumme (1989) highlight the militant character and strategic choices of the Canadian labor movement as critical to reproducing a political and social culture more sympathetic to unions. Mahon (forthcoming) takes a similar position and begins to tie the differences in the two labor movements to the likely outcome of the current restructuring of production.

Even in Mahon's case, however, the comparative literature on U.S. and Canadian political economy takes us far from the shop floor, from collective bargaining, and from the concrete dilemmas of individual North American firms and unions faced with the end of continental oligopolies. One is left with a discomfiting ignorance when it comes to how the impact of Canadian legal, cultural, political, and union differences play themselves out in particular industries; and without much grist for thinking about whether these differences are likely to be

obliterated or more deeply institutionalized by the end of the current period of uncertainty.

Using a historically-informed case study of the U.S. and Canadian auto sector--the North-American industry in which international economic integration and the diffusion of Japanese management approaches have gone furthest--this dissertation situates itself between the narrowly-focused U.S. industrial relations literature and the macro-political economy of U.S. and Canadian national differences. The dissertation explores how, in the auto industry, worker and union traditions, national political and cultural differences, and international economic and technological influences interact in reshaping labor and management action and interaction on the shop floor, in bargaining, and at the sectoral level. In the process, it generates hypotheses about the reproduction and transformation of U.S. and Canadian national differences during the current period of institutional transition.

The auto industry is a natural case to use in an attempt to shed light on the origins and consequences of the distinct U.S. and Canadian responses to the economic and technical challenges of the 1980s. For most of the postwar period, the auto industry symbolized the convergence of U.S. and Canadian industrial relations driven by the investments of U.S. multinational corporations; and the domination of the Canadian labor movement by the 70 percent of Canadian union members that

belonged to U.S.-based International unions. Using what Katz (1985) calls the three key elements of the postwar U.S. auto industrial relations system one cannot, in fact, distinguish between the U.S. and Canada: both adopted productivity- and inflation-based wage rules, connective bargaining that assured virtually identical contracts at the major assemblers, and what Katz labels "job control unionism" on the shop floor (narrow job classifications, work rules, the grievance procedure, and arbitration). The U.S.-Canada Auto Pact of 1965 completed the integration of the U.S. and Canadian auto industries and the modernization of the Canadian industry according to the principles of mass production.

In the 1980s, however, the secession of the now-independent Canadian Auto Workers (CAW) from the International UAW has made the auto sector the symbol of a possible divergence in the two countries' industrial relations and economic structures. In the U.S. in the 1980s, the UAW negotiated a partial shift to profit sharing instead of guaranteed annual increases in base real wages; and began cooperating with management initiatives to improve U.S. plants' performance. The International Union leadership saw these changes as necessary to halt the shrinkage of the unionized sector in the face of management opposition, intense competition, and political isolation. The Canadian UAW, by contrast, rejected pay contingent on company performance and viewed labor-management cooperation

with more suspicion. On one level, the Canadian union interpreted corporate demands as endangering union independence and industrial unity; on another level, the Canadians saw these demands as a threat to labor's capacity to fight beyond the plant level to shape the sectoral and national labor market in workers' interests. Unlike elements within the U.S. UAW that had misgivings about International union policy, the Canadian union could use its status as a separate country to protect its autonomy to pursue independent bargaining and workplace strategies. The UAW International, however, viewed the Canadian region as little different from the many U.S. regions within the union. From this perspective, granting complete autonomy to Canada within the International Union structure posed a threat to the integrity of the UAW as a whole. Unable to find a formula for accommodating their distinct strategies within the same union structure, the leaders of the union in the U.S. and Canada negotiated the secession of the Canadian region.

#### B. The Theoretical Framework and Central Arguments

To highlight the differences between the U.S. and Canadian auto sectors in the past, and to explain their divergent paths in the 1980s, this dissertation develops an institutional systems framework labelled a sectoral pattern of development. This framework takes its name from the notion of a national pattern of development developed by

the French Regulation School.<sup>1</sup> Compared with Kochan et al.'s (1986) IR system, this sectoral regulatory framework incorporates four additional elements as endogenous parts of the auto institutional system: informal shop floor relations; internal union dynamics and union strategy; the independent parts sector; and the labor movement's role in politics and society.<sup>2</sup> The dissertation then traces the interactions among these elements and the three levels of Kochan et al.'s model during the disintegration of the postwar auto pattern of development and search for a new institutional order.

Among the theoretical premises incorporated within the sectoral pattern of development framework from the Regulation literature and the institutionalist tradition more generally, two deserve special mention here (see section D for an expanded list and further elaboration). First, like other institutional systems, the postwar patterns of development in the U.S. and Canadian auto sectors (and the alternative future patterns outlined) are regarded as systems because their constituent pieces reinforce one another. Taking for granted the other pieces

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<sup>1</sup> Section D explicitly analyzes the relationship between a national and a sectoral pattern of development.

<sup>2</sup> The term "regulatory" here and later in this study is used in the extended sense defined by Piore and Sabel (1984, 2, footnote 4). Piore and Sabel offer "balancing mechanism" and "equilibrating" as more precise English translations of the French term. As they emphasize, use of the term regulation in this way should not be confused with the everyday use of regulation as a shorthand for government intervention in private markets.

of a system, each actor behaves in a way that reproduces the system as a whole (Piore 1987). Second, major institutional changes tend to take place in discontinuous fashion. The notion of discontinuous development accurately captures the evolution of the U.S. and Canadian auto sectors since the 1930s. It suggests that the 1980s have been a period of instability associated with the collapse of the first postwar pattern of development. Hence the analytical focus of this study on characterizing that postwar system in each country, understanding its breakdown, and developing hypotheses about what might replace it.

Based on comparative study of the U.S. and Canadian auto industries, this study makes four empirically grounded arguments about the evolution of their sectoral patterns of development.

1. The changes in the North American auto industry over the past decade contain the seeds of two qualitatively different patterns of development. The first, or segmented alternative leads away from autonomous, industry-wide unions to loosely federated subordinate company- and plant-level unions integrated into management and covering only (some) workers in (some) leading firms. Compared with industrial unions, the unions in the core of the industry would have a diminished role in regulating competition among firms. They would be surrounded by a multi-tiered supplier structure in which, at lower tiers especially,

wages and work standards would play a larger role in competition; workers' skills would become less important; and shop floor relations would become more primitively autocratic. Seeing their members' job and income security as dependent primarily on plant-level competitiveness, the subordinate core unions would have a diminished role in national and regional politics. Consistent with the role of low wages and limited worker protection in supplier competition, this model can be expected to involve significant decentralization of production to low-wage, non-union regions and countries.

The second, or inclusive pattern of sectoral regulation builds on independent industrial unionism, expanding workers' autonomy on the shop floor and the union's independent role in corporate planning and state-coordinated sectoral adjustment. The continuing ties among locals within industrial unions would enable them to bargain for domestic, sector-wide contractual restraints on wage and low-labor-standard competition. These ties would also provide a foundation for labor to act politically to create state policies that encourage firms to pursue skill-intensive strategies and discourage low wage business strategies. In a fully inclusive model, unions would represent workers in all suppliers as well as assembly firms. Compared with the segmented model, the inclusive model would contain less wage inequality, less decentralization of production, and less polarization of

skills and social relations. The differences between the two patterns of development indicates that consolidating an inclusive pattern requires a network of rules and institutions that make it more difficult for corporations to compete at the expense of workers and communities and simultaneously make it easier for firms to pursue consensual, skill-intensive strategies (Sengenberger 1990; Streeck 1989).

2. Four differences between the U.S. and Canadian auto sectors make it more likely that Canada will be able to construct a sufficiently developed network of constraints on and opportunities for employers to lead towards an inclusive pattern of development.

- o The Canadian auto sector has somewhat stronger union-enforced and legislative checks on low wage, non-union competition.
- o On average, organized Canadian plants probably have a larger core of pro-union stewards and informal leaders.
- o The internal structure and history of the Canadian auto union give it a greater capacity for reconstructing its "collective identity" and thus avoiding fragmentation along plant, occupational, demographic and seniority lines. Its internal structure and history also give the Canadian union a more developed capacity for mobilizing workers.
- o Canada has a stronger labor movement as measured by levels of union coverage, links to political parties, and public perception of unions as an essential institution.<sup>3</sup>

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<sup>3</sup> Turner's (1988b) comparative research on the U.S. and West German auto sectors indicates that another important determinant of whether cross-cutting unions survive the transformation of industrial relations in tact is the extent of labor integration into management historically.



While Canada appears more likely to institutionalize an inclusive pattern of development, questions remain about the sustainability of such a pattern there if the progressively more integrated U.S. and Mexican auto and manufacturing sectors are highly segmented.

3. Three qualitatively distinct patterns of shop floor relations coexisted between 1945 and the early 1980s- -not one as implied by Katz's shop floor job control model. These patterns (which will be called individualistic, collective and organizational) differed according to the extent and purposefulness of collective action within them. In an organizational pattern, common only among skilled workers, workers and union officials exercised substantial control over all aspects of work: effort norms, how work would be done, discipline, manpower scheduling etc. In the collective pattern, most common among interdependent, self-paced work groups, workers have substantial influence over the effort bargain but much less control over other aspects of work. In the individualistic pattern, workers no longer act collectively to influence the effort bargain or other conditions of work.

As a result of variations in the extent and effectiveness of collective action in the organizational,

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In both the U.S. and Canada, labor's exclusion from management in the past and the associated emphasis of U.S. managers on unilateral control (and "reactive" impulses of local union officials) will make more difficult the establishment of a production system in which workers' cooperate in exchange for independent union input into managerial decisions.

collective and individualistic patterns, (a) the union's ability to address workers' on-the-job concerns, and the extent to which the UAW's role reproduced a core of shop floor pro-union activists and commitment to the union among workers in general varied substantially across the three patterns. (b) In both countries, but especially the U.S., the contractual and legal constraints under which the union operated led to the gradual diffusion of the most individualistic pattern and, in association with that, to the erosion of shop floor solidarity and rank-and-file ties to the union.

4. Just as three patterns of shop floor relations coexisted under job control unionism, contemporary plant-level research indicates that at least three distinct patterns could coexist with the "flexible work organization" or "teams" now being promoted by the major auto companies. In the subordinate union model, workers perceive achievement of management's goals as the key to satisfying their own income and job security goals and other priorities take second place to improving productivity and quality. The union helps discipline substandard workers and defenders of other priorities because both these groups threaten the high performance considered a precondition to high wages and secure jobs. In the autocratic model, workers retain hostility towards management but express this only in individualistic ways. Teams and the elimination of seniority-based work rules

represent a return to the supervisory domination and favoritism of weak or pre-union days. In the negotiation model, workers' retain attachment to goals distinct from management's and the capacity and willingness to fight collectively for them; managers, perceiving a competitive need for workers' cooperation on the job, negotiate, in exchange for this cooperation, arrangements that take account of workers' desire for economic security, skill development, autonomy and social space on the job; and shop floor union officials who participate in negotiations with managers on these issues become an independent extension of and link between the informal work groups that exist in any plant.

Referring back to the two alternative sectoral patterns of development, the negotiation shop floor model would prevail throughout the industry in the inclusive pattern. In the segmented pattern, with its loosely federated plant- or company-level unions, the subordinate union model would prevail in assemblers and major parts firms; and the autocratic model would prevail in lower tiers of the supplier structure.

A negotiation model is a necessary condition (but not a sufficient one--witness craft unions before the 1930s) for the creation and reproduction of an inclusive pattern of development because this is the only one of the three alternative models of shop floor relations that preserves an independent, collective identity among workers; and thus

the only model that preserves the possibility of mobilizing workers beyond the plant to construct the "exo-skeleton" of an inclusive pattern.<sup>4</sup> In less abstract terms, only a shop floor system that addresses the immediate concerns of the membership on the job and adds meaning to the lives of union activists will generate the understanding of and commitment to labor's vision of society essential to successful sector-wide and political action.

5. Significant differences in internal union dynamics characterized the postwar sectoral pattern of development in the U.S. and Canadian auto sectors. Historical union practice as well as the way that previous actions had expanded or narrowed the structural constraints faced by each union--and not just exogenous economic and political differences--contributed to the strategic divergence of the U.S. and Canadian unions in the 1980s and to the prospects for forging an inclusive pattern in Canada.<sup>5</sup>

While the contrasting internal union dynamics of the U.S. and Canadian UAW grew partly out of differences in their demographic make-up and in employment trends (figure 1.2, table 1.2), they also developed a life of their own. This self-reinforcing dynamic is particularly evident in a series of critical political and collective bargaining

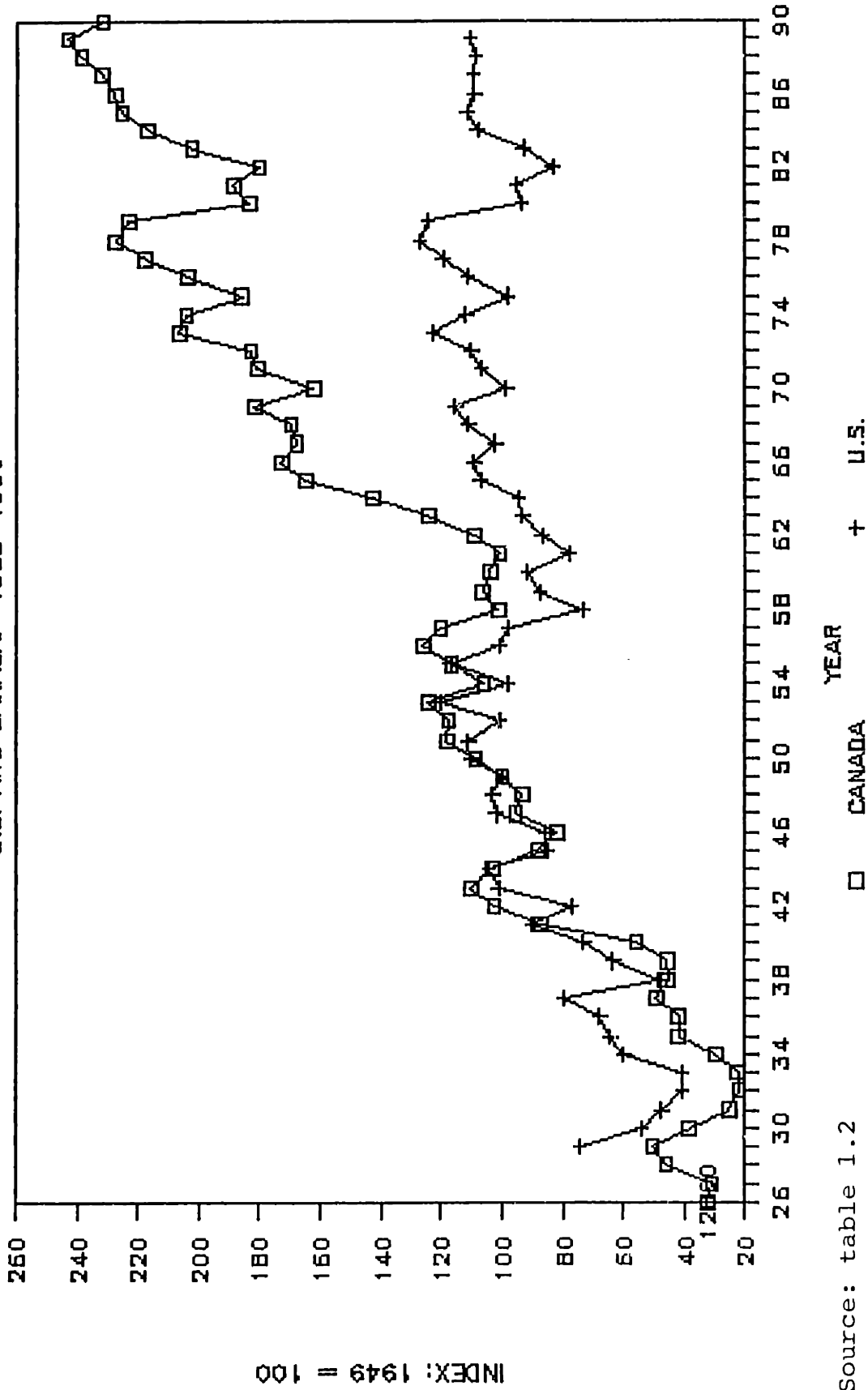
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<sup>4</sup> The term "exo-skeleton" is borrowed from Streeck (1989) who characterizes "diversified quality production" in terms similar to the inclusive pattern described in the text.

<sup>5</sup> Lipsig-Mumme (1989) calls historical union practice and the structural constraints that grow out of previous union strategic decisions "historically cumulative union strategy".

# FIG. 1.2: AUTO SECTOR EMPLOYMENT

U.S. AND CANADA: 1926-1990



Source: table 1.2

TABLE 1.2

## EMPLOYMENT IN THE U.S. AND CANADIAN AUTO INDUSTRIES

|      | UNITED STATES |                    | CANADA    |                    | Ratio of<br>U.S. to<br>Canadian<br>Employment |
|------|---------------|--------------------|-----------|--------------------|---|
|      | Thousands     | Index:<br>1949-100 | Thousands | Index:<br>1949-100 |   |
| 1926 |               |                    | 15        | 32                 |   |
| 1927 |               |                    | 14        | 31                 |   |
| 1928 |               |                    | 21        | 46                 |   |
| 1929 | 455           | 74                 | 23        | 50                 | 19.8  |
| 1930 | 329           | 54                 | 17        | 38                 | 19.0  |
| 1931 | 292           | 48                 | 12        | 25                 | 25.4  |
| 1932 | 248           | 40                 | 10        | 22                 | 24.8  |
| 1933 | 248           | 40                 | 10        | 22                 | 24.3  |
| 1934 | 367           | 60                 | 13        | 30                 | 27.2  |
| 1935 | 394           | 64                 | 19        | 42                 | 20.8  |
| 1936 | 415           | 68                 | 19        | 42                 | 21.9  |
| 1937 | 488           | 80                 | 22        | 49                 | 21.9  |
| 1938 | 296           | 48                 | 21        | 45                 | 14.3  |
| 1939 | 388           | 63                 | 21        | 46                 | 18.7  |
| 1940 | 449           | 73                 | 25        | 56                 | 17.7  |
| 1941 | 551           | 90                 | 40        | 87                 | 13.9  |
| 1942 | 473           | 77                 | 47        | 103                | 10.1  |
| 1943 | 620           | 101                | 50        | 110                | 12.4  |
| 1944 | 641           | 104                | 47        | 103                | 13.7  |
| 1945 | 520           | 85                 | 40        | 88                 | 13.0  |
| 1946 | 525           | 86                 | 37        | 82                 | 14.1  |
| 1947 | 626           | 102                | 43        | 95                 | 14.4  |
| 1948 | 632           | 103                | 42        | 93                 | 14.9  |
| 1949 | 613           | 100                | 45        | 100                | 13.5  |
| 1950 | 677           | 110                | 49        | 109                | 13.7  |
| 1951 | 682           | 111                | 54        | 118                | 12.7  |
| 1952 | 619           | 101                | 53        | 117                | 11.6  |
| 1953 | 739           | 121                | 57        | 124                | 13.1  |
| 1954 | 602           | 98                 | 48        | 106                | 12.5  |
| 1955 | 718           | 117                | 53        | 117                | 13.5  |
| 1956 | 620           | 101                | 57        | 126                | 10.8  |
| 1957 | 602           | 98                 | 55        | 120                | 11.0  |
| 1958 | 453           | 74                 | 46        | 101                | 9.8   |
| 1959 | 538           | 88                 | 48        | 106                | 11.1  |
| 1960 | 563           | 92                 | 47        | 104                | 11.9  |
| 1961 | 479           | 78                 | 46        | 101                | 10.4  |
| 1962 | 534           | 87                 | 50        | 109                | 10.8  |
| 1963 | 574           | 94                 | 57        | 124                | 10.1  |
| 1964 | 579           | 94                 | 65        | 143                | 8.9   |
| 1965 | 659           | 107                | 75        | 165                | 8.8   |
| 1966 | 670           | 109                | 79        | 173                | 8.5   |
| 1967 | 627           | 102                | 76        | 168                | 8.2   |
| 1968 | 681           | 111                | 77        | 170                | 8.8   |
| 1969 | 708           | 115                | 83        | 182                | 8.6   |
| 1970 | 605           | 99                 | 74        | 163                | 8.2   |
| 1971 | 655           | 107                | 82        | 181                | 8.0   |
| 1972 | 676           | 110                | 83        | 183                | 8.1   |
| 1973 | 755           | 123                | 94        | 207                | 8.0   |
| 1974 | 688           | 112                | 93        | 205                | 7.4   |
| 1975 | 602           | 98                 | 85        | 186                | 7.1   |
| 1976 | 682           | 111                | 93        | 204                | 7.4   |
| 1977 | 735           | 120                | 99        | 218                | 7.4   |
| 1978 | 782           | 127                | 104       | 228                | 7.6   |
| 1979 | 764           | 125                | 102       | 224                | 7.5   |
| 1980 | 575           | 94                 | 84        | 184                | 6.9   |
| 1981 | 586           | 96                 | 86        | 189                | 6.8   |
| 1982 | 512           | 83                 | 82        | 181                | 6.2   |
| 1983 | 572           | 93                 | 92        | 203                | 6.2   |
| 1984 | 664           | 108                | 99        | 217                | 6.7   |
| 1985 | 685           | 112                | 103       | 226                | 6.7   |
| 1986 | 671           | 109                | 104       | 228                | 6.5   |
| 1987 | 674           | 110                | 106       | 232                | 6.4   |
| 1988 | 667           | 109                | 109       | 239                | 6.1   |
| 1989 | 679           | 111                | 111       | 243                | 6.1   |
| 1990 |               |                    | 105       | 232                |   |

**NOTES FOR TABLE 1.2:**

1. Canadian data: 1926-38 from Stats Canada index numbers for employment in "automobiles and parts"; 1939-61 from Stats Canada index numbers for annual employment in "motor vehicles" (i.e. assembly) and "motor vehicles parts and accessories"; 1962-63 from an average of Stats Canada monthly index numbers for "motor vehicles" (here meaning parts and assembly) and "assembling" (alone); 1964-84--employment in Canadian SICs 323 and 325 reported in RCAI 1984; 1985-88 from Automotive Directorate, 8/89; 1989-90 are two-month averages for 8&9/89 and 1&2/90 reported in Labour Canada, Employment, Earnings, and Hours. Linking data from these sources required a variety of adjustments. The 1926-1938 data was linked with the 1939-1961 data using data reported for both series from 1939-1943 (a 4.3 percent adjustment). A 1 percent discrepancy between the 1964 figure in the RCAI and the figure derived from continuing the 1962-1963 series was not corrected for. The survey methods for the Canadian auto parts series were changed very significantly before the 1983 survey (and somewhat before the 1986 and 1987 surveys) to take account of the growing number of small firms; to adjust for this, the recent post-1983 numbers were adjusted downwards using links provided by the U.S. DOL's BLS Office of Productivity and Technology. This last method probably somewhat underestimates recent employment growth in Canada because it implicitly assumes that the proportion of small firms in the industry has not increased in the 1980s.
2. U.S. data: Production workers in SIC 371, Motor Vehicles and Equipment, as reported in U.S. DOL 1985 (BLS Bulletin 1312-12) and in U.S. DOL 1989 (Supplement to Employment and Earnings). The 1989 figure for "total" is an average of the January and February monthly figures reported in the latter source.
3. Since the Canadian and U.S. industrial classifications used here are not entirely consistent through time or consistent across the two countries, the employment figures should only be considered indicative of general trends.

episodes during the postwar period, especially from 1965 forward. At these "branching points", UAW leaders' ability to incorporate internal dissent and their confidence in and capacity for pursuing mobilization strategies gradually declined. As indicated by data on auto sector work stoppages in each country (see chapters 3 and 4), similar episodes proved either less demobilizing or, especially after 1965, expanded the Canadian union's ability to unify workers behind militant political and bargaining strategies.

One structural and one ideological factor played pivotal roles in differentiating the internal dynamics of the U.S. and Canadian UAW. Within the Canadian union, quarterly meetings of a rank-and-file elected Canadian Council helped sustain traditions of internal debate, limited the extent to which union leaders could ignore rank-and-file pressure, and enhanced the UAW's ability to mobilize workers and reconstruct what Yates (1988) calls its "collective identity." Within the U.S., the absence of regional councils that cut across company lines combined with geographical dispersion of the industry to insulate leaders of the dominant Administration Caucus from rank-and-file pressure, weaken traditions of internal debate and erode UAW unity. On the ideological level, Canadian nationalism blunted the impact of anti-communism on the left-wing opposition within the UAW. By broadening the appeal of left-wing programs to check U.S. corporate and



UAW leaders' control over developments north of the border, nationalism sustained the Canadian union's traditions of open debate and its ability to reconstruct unity in the wake of confrontation between leadership and internal opposition. In the U.S., nationalism became intertwined with anti-Communism, and reinforced the effect of union centralization on internal opposition and the union's ideological range. After the destruction of the left-wing opposition in the late 1940s and 1950s, the UAW International's internal debates (and educational programs) became much more controlled and failed to reproduce among union activists the broad perspective and mobilization capacities that characterized the union's founding generation.

### C. Research Methods

The analysis in this dissertation is based on a cross-national, historical comparison between the U.S. and Canadian auto sectors. A core piece of this comparison was a detailed qualitative study of shop-floor dynamics at Canadian and U.S. stamping plants of the Budd corporation, an independent parts supplier. The dissertation also drew on interviews with national union officials and staff members in the UAW and the CAW (see the list in Appendix A); on time series developed for each country on employment, strikes, union coverage, and wages (and, for the U.S., intra-industry income distribution); and on

secondary sources. Both the national comparative dimension and "inductive" (or "open-ended") nature of the plant-level case studies distinguish the methodology of this dissertation from that of U.S. industrial relations scholars. Below, the strengths and limits of the overall comparative method and the qualitative shop floor case study are each briefly discussed.

i. The "Levered" Comparisor.

Piore (1987a, 1849) has described the "levered" case study as the "basic research strategy" of students of "institutional transformation".

Its essence is to use the variation in institutional arrangements across industries, countries, and historical periods to enlarge the repertoire of arrangements we know to be possible; to use the contrast between those possibilities and the arrangements that are actually realized in a given industry at a particular time and place to suggest the operative constraints; and finally to seek to envisage ways of circumventing those constraints by combining the arrangements drawn from the enlarged repertoire in novel ways.

This dissertation uses a levered comparison between the U.S. and Canadian auto sectors in four complementary ways (the last three of which correspond roughly to the three in Piore's list). First, the contrast between the two auto sectors and their evolution in the past 50 years led us to postulate that an institutional system broader than Kochan et al.'s (1986) "industrial relations system" was necessary to understand differences in U.S. and

Canadian developments. Second, the concrete differences already evident in auto institutions within the two countries suggested many of the features of North American inclusive and segmented models. Third, the claim that Canada has moved more in the direction of an inclusive model together with the differences between the two countries helped produce empirically-grounded hypotheses about what determines the likely degree of sectoral segmentation in the future. Fourth, the contrast between the two countries suggested a vision of a more complete North American inclusive model that is a composite of (1) the plant-level consultation and training institutions constructed in the U.S. in the 1980s; and (2) the internal union structure and political power of labor that has helped to sustain union independence and to contain the reemergence of wage and work standard competition in Canada.

As a comparative lever with which to shed light on the transformation of industrial relations within each country and on the nature and reproduction of national differences, a U.S./Canadian auto sector study has a number of attractive features. English Canada and the U.S. share more demographic, historical and cultural features with each other than with any European country. Focusing on the auto sector controls for industry, type of production, the vast majority of employers and, until recently, international union. The similarities in the two countries

and their auto sectors makes their differences stand out and simplifies the task of analyzing how these differences influence institutional transformation.

An important limitation of the comparison stems from the systemic character of the differences that do exist between the two countries and their postwar auto sector patterns of developments. The interdependence between these differences does not plague the first, second and fourth uses of our auto sector levered comparison described in the paragraph before last: i.e., the attempt to map past, present and future institutional systems in the two countries based on a combination of qualitative and quantitative data. The fact that the major differences between the U.S. and Canadian auto sector are "bound up together" (Piore 1987, 1848), however, does make it difficult to establish causality and to weigh the relative importance of particular differences on developments in the 1980s. This fact explains why the claim that Canada is more likely to develop an inclusive pattern--argument 2 in section B--is made in terms of the collective influence of the four factors listed on the evolution of the U.S. and Canadian auto sectors. When possible, despite the inherent difficulties, this study employs historical analysis to shed light on the relative significance of these four factors at different points in time and to understand how they feed back and reinforce one another.

## ii. Qualitative Case Studies

The case studies of labor relations at the U.S. and Canadian supplier plants were based on extended open-ended interviews with 35 workers and 15 managers and union officials at each plant. Company and union records and interviews with individuals who had observed (or participated in) critical labor-management interaction in the previous 20-45 years at each plant complemented the interviews about contemporary developments and provided a critical historical dimension.

The qualitative plant studies generated empirically grounded hypotheses on three critical aspects of this study: (1) the reinterpretation of the UAW's postwar shop floor role (argument 3 in Section B) and the impact of this role on rank-and-file commitment in the 1980s; (2) future patterns of plant-level social relations (argument 4); and (3) the impact of national context--especially intra-union dynamics, union strategy, politics and economics--on plant-level labor relations past and present (arguments 3 and 5). The available secondary literature was used to assess the generalizability of hypotheses generated by the case studies.

Open-ended interviews are particularly well suited to the development of grounded theory--theory developed inductively from empirical data rather than deductively from a set of axioms (Glazer and Strauss 1967)--on questions like those outlined above. Using deliberately

general questions, the researcher permits the interviewees to describe how they think about the interactions among workers, supervisors and union officials.<sup>6</sup> Neoclassical models, by contrast, impose a particular model or set of analytical categories on the situation studied (Piore 1979a; Wial 1988, 68-78). Even the survey and focus group methods favored by industrial relations scholars tend to impose a set of analytical categories and a normative perspective--that of "practioners" who advocate work reorganization--on plant case studies. Since industrial relations scholars do not generally ask how hourly workers think about the reorganization of work, they cannot possibly discover the meaning (or meanings) of these changes for workers.

Despite evidence that open-ended interviews produce original insights, critics of qualitative research suggest that its proponents impose their own views on the questions they ask and on their analysis of interviews afterwards. Unlike a survey, moreover, there is no "hard" evidence one can use to confirm or contest the analysts' interpretation. While these problems are not unique to qualitative research, those who use this approach must guard against

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<sup>6</sup> Chapters 3 and 10 provide concrete examples of how the open-ended interviews in this study led to to the generation of original hypotheses (i.e. about the existence of qualitatively distinct patterns of shop floor relations) and to the discovery of analytical categories (e.g. "informal leaders").

the tendency to confirm their own preconceptions.<sup>7</sup> In the present context, this was done by drawing on a wide range of complementary information--data on work stoppages, grievances and employment fluctuations--as well as ensuring that interviews took place with actors that had a wide range of perspectives. It was also done by having union officials, local managers, and corporate managers review drafts for factual and conceptual accuracy.<sup>8</sup>

#### D. Relationship of the Theoretical Framework to Other Literature on Institutional Transformation

This section first discusses three features the theoretical framework here has in common with other "institutional" research. It then discusses the ways the notion of a sectoral pattern of development differs from the frameworks of U.S. industrial relations research and the French Regulation school.

1. An Inductive Cognitive/Institutional Approach: By comparison with the deductive orientation of neoclassical economics, institutional research emphasizes the inductive

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<sup>7</sup> Conscious or unconscious data manipulation and results sifting takes place before publication of quantitative research as well. For some classic examples from biological research on race and intelligence, see Gould 1981.

<sup>8</sup> A draft of the Canadian plant study, for example, was read by three members of corporate management (including the two Presidents of the Canadian subsidiary in charge of the plant for most of its first 12 years of operation), two members of plant management, and at least four members of the local union. Despite their different perspectives, all of those who read it perceived it as an accurate portrayal of shop floor dynamics at the plant.

discovery of the "world view" or "models" of the world that guide the actions of social and economic actors. It also explores how institutions structure the actions of and relationships between different parties. The "world view", or cognitive, and institutional aspects of institutional research can be seen as two sides of the same coin. Formal institutions (e.g. laws, union contracts) and informal customs are an integral part of the framework, and supply many of the rules of conduct and interaction, which actors use to analyze and guide their behavior. At the same time, formal institutions and informal customs grow out of the understanding actors have of their situation.<sup>9</sup>

2. Discontinuous Development: As noted above, institutional students of labor relations argue that institutional change tends to be discontinuous. The regulation literature most responsible for originating this notion conceives of the economy as passing discontinuously through a series of national patterns of development consisting of (1) a "model (or paradigm) of

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<sup>9</sup> Piore (1983) contrasts the "institutional" view of the rules of thumb people use to guide their behavior with the neoclassical view of those rules. Neoclassical economists implicitly assume that rules of thumb are the result of rational calculus. Drawing on Thomas Kuhn's (1962) work on the nature of scientific development, Piore argues that some kind of organizing framework is a precondition for rational calculus. Rules of thumb, and institutions in general, then, simplify the world in ways that permit weighing the desirability of a now delimited set of alternative courses of action. What this means is that while marginal adjustments in behavior may be explicable in neoclassical optimizing terms, the basic structure of the economy and society must be explained in other ways.



industrialization"--the general principles which guide the evolution of the division of labor;<sup>10</sup> (2) a "regime of accumulation" which describes the macroeconomic relationships that assure compatibility between productive capacity and demand as well as other major macroeconomic balances (e.g. trade flows); and (3) a "mode of regulation" which consists of the institutions and cultural norms that adjust individual behavior and expectations to the aggregate relationships of the regime of accumulation (and to mesh with the paradigm of industrialization).<sup>11</sup>

National patterns of development do not last forever because they do not permanently eliminate social tensions, guarantee the expansion of demand in line with consumption or equilibrate relations with the international economy.<sup>12</sup> Since the provisional balance of internal and external tensions depends on a complex set of interdependent

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<sup>10</sup> Most regulation authors have now added the notion of a model of industrialization (or "technological paradigm") to the two earlier theoretical constructs--the mode of regulation and regime of accumulation--that regulation authors used to call collectively a regime of accumulation (see Piore and Sabel 1984, 44-48; Lipietz 1987a and 1987b; Leborgne and Lipietz 1988; Singh et al. 1988)

<sup>11</sup> The postwar pattern in most advanced countries, for example, consisted of a mass production paradigm of industrialization; a regime of accumulation driven by the expansion of investment and consumption in tandem with productivity growth (and few leakages of demand overseas); and a mode of regulation centered around pattern bargaining that tied wage growth to productivity improvements, state-enforced minimum labor standards, the social safety net (especially unemployment compensation), and Keynesian monetary and fiscal policies.

<sup>12</sup> For accounts of the breakdown of the Fordist mass production pattern in advanced countries in the last two decades, see Piore 1982; Piore and Sabel 1984, chapter 7; and Lipietz 1987, 41-46.

relations, when tensions build up enough so that they cannot be resolved through marginal adjustment, they will have broad repercussions. Like a house of cards, once critical pieces of the system are realigned, the whole system is likely to collapse. From a cognitive perspective, realignment before a serious crisis is unlikely because of the difficulty that actors have abandoning their traditional perspective. From a structural perspective, realignment before a crisis is unlikely because some parties stand to lose during the transition. Thus, until those groups are weak enough to have a new solution imposed on them, or until the costs of making only incremental adjustments are widely perceived as overwhelming (e.g. a depression), strong tendencies to maintain established relationships persist.

3. The role of ideas, political struggle and contingency in shaping new institutional systems: Another insight borrowed here from the Regulation literature is the role of ideas and political struggle in shaping new institutional systems. Periods between stable systems are associated with both unpredictable fluctuations in economic variables and with cognitive confusion that grows out of the breakdown in the institutions and customs that previously provided social actors with a framework for understanding the world. Renewed stability and a new set of internally consistent, socially acceptable, and macroeconomically compatible microeconomic behaviors are

unlikely to simply evolve from an aggregate of the actions of confused individual agents (Piore 1987, 1849). As a result, a new system must be established at least partly by design, i.e.,

...through some kind of social contract, through a political compromise engineered by a coherent ruling class, or a sociocultural process through which some limited set of institutional structures is given salience.

Political struggle as well as ideas enter into the "design" of new patterns of development because different social groups may have very different conceptions of how to establish (a new) order from chaos. Direct examination of how workers, union officials, and managers view the world--and of how their actions grow out of their perceptions of the choices open to them--is a precondition for being able to sketch alternative conceptions of future labor-management and economic arrangements. The fact that crisis can be resolved in more than one way also introduces an element of historical contingency into that process. It is for this reason that Lipietz (1987, 15) labels patterns of development as "chance discoveries made in the course of human struggle."

#### i. Industrial Relations Theory

Section A notes that the work of Katz (1985) and Kochan et al. (1986) is too narrowly focused to fully illuminate the nature and implications of institutional transformation taking place in the advanced countries

today. The questions posed, methods used, and interpretations made by industrial relations students of the auto industry today reflect deeply held theoretical, methodological, and normative traditions of the field (see Kochan 1980). Between the 1960s and 1980s, industrial relations scholars described collective bargaining and shop floor contract administration as a largely static, self-contained system that balanced employee and employer interests. They focused on the formal institutions of that system, asking how they resolved differences in employee and employer priorities in a way that was consistent with efficiency, industrial peace, and worker protection. Industrial relations scholars rarely examined evidence of continuing shop floor conflict or the influence of collective traditions, internal union dynamics, industrial structure and the political context on the process and outcomes of labor-management interaction.<sup>13</sup>

While the collapse of the postwar industrial relations system led Kochan et al. (1986) to try to make the shop floor and strategic decision-making a more central part of their framework, this break with past practice remains quite limited. On the shop floor, Kochan et al. (1986 and 1988) continue to focus on the roles and world views of formal institutional actors--supervisors, committeemen,

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<sup>13</sup> In a review symposium of Kochan's 1980 book, Derber (1982), Strauss (1982), and Hyman (1982) all take Kochan to task for ignoring informal behavior in the workplace and for ignoring the macro-political context and viewing industrial relations as a closed system.

employee involvement (EI) facilitators, and union officers. When workers' perspectives are examined, it is generally through the use of surveys or "focus groups" not open-ended interviews or participant observer methods. Implicitly, Kochan et al. (1986) have a neoclassical conception of worker preference formation--they see workers' individual preferences as part of the exogenous context to which the industrial relations system must adapt. They do not explore how workers' world views are shaped endogenously in the workplace and depend on history, collective traditions, union and management strategy and ideology. Nor do they explore how the current transition of industrial relations has given rise to competing worker perspectives on work reorganization and labor-management cooperation and how the actions of different groups of workers grow out of these competing perspectives.

At the top tier of the new industrial relations model, corporate investment, collective bargaining and shop floor labor strategies are embedded within the broader context of overarching corporate strategy. With this addition, the changing character of U.S. management's investment strategies over the last two decades is incorporated in a more endogenous and dynamic way into the analysis. The maintenance of anti-union attitudes among U.S. managers and the slow strengthening of a non-union foothold in major manufacturing firms in the 1960s and 1970s, Kochan et al. argue, laid the foundation for more accelerated

deunionization in the 1980s. While this is an important extension of the model, Kochan et al. (1986) still end up with a model of company-level industrial relations rather than incorporating the political context, industrial structure and labor traditions into an analysis of the sectoral regulatory structure.

Even in the expanded IR model, moreover, internal union dynamics and the formation of union strategy remain almost entirely absent. As Kochan et al. (1986, 12) acknowledge, they place

...management values and strategies at the center of our analysis...[because] since 1960 union behavior and government policy have been much slower than employers to adapt to changes in their external environment and to changes in managerial strategies and policies.

As an empirical description of union behavior in the auto industry and elsewhere, this statement may be accurate. It leaves unexplored questions about the alternatives U.S. unions had; about why they were so slow to adapt; and about the connection of their slow response to their histories, ideologies and internal structures. While analyzing unions' actions in more depth might jeopardize access and relations with top union leaders, it is essential to gaining a full understanding of the evolution of U.S. industrial relations.

Kochan et al. (1988, 454) themselves recently suggested that it may be necessary to further modify their framework in some of the directions suggested here:

In our book we sought to...update Dunlop's industrial relations systems model by adding a dynamic and strategic component to it. But perhaps a more radical break with previous models would be appropriate.

In the approach common to our work and Dunlop's, the focus is on the industrial relations system and how the key three actors (government, labor, and management) in that system respond to environmental pressures and in turn affect the economy. But it may no longer make sense to focus on the industrial relations system apart from the economic system or political processes in the face of the fundamental reorganization under way in the economy...It no longer seems to make sense to start with an analysis of industrial relations and then analyze the linkages between industrial relations and the production or political processes. Perhaps the order should be reversed...

Kochan et al. (1988) go on to note that the three-actor approach may have to be abandoned because of division within the ranks of labor and management about how to proceed. This implies that their future research may focus more attention on internal union (and internal management) dynamics as well as on politics and "the production process."

With our review of the limitations of the Kochan et al. framework in mind, the next several pages review the four explicit ways this dissertation's sectoral model of the auto industry builds on that framework. Since his work directly concerned the auto industry, these pages switch to the use of Katz (1985) as a point of reference.<sup>14</sup> While

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<sup>14</sup> Appendix B describes the distinctions between the model of Kochan et al. (1986) and the model of this dissertation in terms of modifications to Figure 1.1 in their book-- their "General Framework for Analyzing Industrial Relations

it remains implicit, Katz (1985) uses the same basic three-tiered industrial relations system as Kochan et al. (1986).

1. The North-American industry as a whole. Katz confines his characterization of the auto industrial relations system to the Big Three.<sup>15</sup> Leaving out the independent parts sector obscures the fact that the erosion of pattern bargaining and the emergence of non-union suppliers in the U.S. were largely an endogenous outcome of the interplay among worker, corporate, and union actions within the postwar pattern of development. Especially in the recession of the late 1950s, Big Three vertical integration aimed at sustaining profits (and partly induced by contractual commitments to pay supplementary unemployment benefits) exacerbated a profit squeeze on supplier firms and accelerated these employers' decentralizing investment strategies. These strategies, in turn, helped undermine pattern-bargaining, union coverage in the independent parts sector, and thus the wage relations underlying the national regime of accumulation. This episode illustrates the semi-permanent nature of any

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Issues."

15 In his introduction, Katz (1985, p.11) argues that "The auto industry differs from a number of other industries because of the high level of unionization and the fact that one union--the UAW--dominates it. In other industries in the United States, the significant growth of nonunion firms has emerged as a major environmental pressure on union firms in recent years, a pressure largely absent from the auto industry." Chapter 5 documents that, if one includes the independent parts sector, this is a substantial overstatement.



regulatory structure and the way that tensions in one part of it can ultimately contribute to the unraveling of the whole.<sup>16</sup> At the same time, the UAW response to the reemergence of wage competition and the growth of non-union parts plants illustrates the way in which the commitments and habits of thought and action of institutional actors within one pattern of development can inhibit their recognition of and willingness to act upon trends that ultimately threaten their existence (in this case, the existence of an industrial union). The UAW response to parts sector non-union growth also informs our analysis of its response to the later challenges of the 1980s.

Another reason it is essential to include suppliers within the institutional system is that, in the future, wage and employment relations in parts companies could differ radically from those in assemblers. (If they do, IR scholars' model of company- or plant-level labor relations would no longer represent even a crude approximation of the sectoral pattern of development.) How much labor relations in assemblers and suppliers differ is one of the defining distinctions between the two models suggested by recent developments in the U.S. and Canada. In both models, the role of the union and the relations between workers at suppliers and assemblers would be inextricably intertwined. In the inclusive model, these would be relations of

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<sup>16</sup> It also illustrates the need to embed managerial strategic decisions within a sectoral analogue of a national regime of accumulation.

solidarity, the political expression of which would help the union fight for a government role that encourages innovative competition and discourages what Piore and Sabel (1984) call "sweating" competition. In the segmented model, assembler workers would be tied more exclusively to their employer. While their employers would see sweatshop conditions in suppliers as a way of maintaining profits, assembly workers would see them as a way of improving their job and income security.

2. Internal union dynamics. Katz (1985) has an extremely underdeveloped discussion of the formation of UAW strategy. He does not discuss union internal structure and ideology and the influence of these on union capacity to unite and mobilize its membership.<sup>17</sup> In a comparison of

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<sup>17</sup> Katz's (1985) most extended discussion of strategic differences within the UAW is contained on pp. 169-174. Even there, except for four paragraphs starting on p. 173, the text confines itself to a discussion of the views of particular individual leaders. Katz is careful not to say that the U.S. leadership's support for cooperation reflects the views of the rank-and-file. He says merely that "none of the executive board of the union openly joined" the organized opposition to the wage and work rule concessions negotiated within the U.S.; and that the lack of support for militant action among the union's top leadership makes it "less likely that a conflictual path will emerge." There is no attempt to explore the position of UAW national leaders and their critics in terms of the structure of the union; to examine why, despite opposition, the views of top leaders would be likely to prevail; and to explore the consequences of the way internal debate has taken place for the unity of the UAW and for its likely role in the future.

Katz (1987) compares "cooperative" and "militant" union strategies and uses the Canadian and U.S. UAW as one of his comparisons. Even here, however, while he does discuss ideology, he discusses it primarily in an analytically idealistic way. The U.S. and Canadian differences are not related to the unions' structural or

U.S. and Canadian auto labor relations in the 1980s, the fact that the Canadian region chose a different strategy clearly thrusts the question of how unions choose strategies onto center stage. Examining internal union dynamics is particularly important because this is a time of industrial transformation, and the weight placed on labor's priorities in the future depends heavily on unions' ability to mobilize and unify workers behind a coordinated strategy.<sup>18</sup>

3. Informal shop floor relations. In his description of the shop floor tier of industrial relations, Katz describes the formal operation of narrow job classifications, seniority-based work rules and a precedent-based grievance system topped by the option of arbitration. This schematic model ignores informal shop floor relations and the role of collective action that persisted within Fordism. More important, it ignores the influence of the union's in-plant role on the reproduction of a core of pro-union informal leaders and of rank-and-file support for the union more generally. The social structure left behind by what this study relabels

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historical differences.

<sup>18</sup> As Piore and Sabel (1984, p. 7) say more generally with respect to blue- and white-collar workers in the advanced countries: "...these workers often lack the resources even to conceptualize the solution that is most favorable to their interests. Nevertheless, if they and their leaders do not make the most of the scarce opportunities they have to shape the economic order to their wants, only luck will preserve the gains that these people made in the last decades. Prosperity of a kind could come again and pass them by."

procedural unionism--to avoid the impression job control gives that workers' in general had substantial shop floor control--is one of the critical pieces of the context in which work reorganization is taking place today.

In analyzing shop floor relations, this dissertation relies on a range of sociology research that focuses more than Kochan and Katz on workers' perceptions and actions.<sup>19</sup> From P.K. Edwards (1986), the dissertation takes the concept of a shop floor pattern of relations--elsewhere called by Edwards a pattern of control or a pattern of conflict.<sup>20</sup> Edwards identified a range of patterns distinguished according to the extent to which workers collectively or individualistically challenge management in production (see chapter 3 for details). These patterns prove a useful way of thinking about the

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<sup>19</sup> In addition to the work by P.K. Edwards (and others in the critical British industrial relations tradition) and by Sabel cited later in the text, the dissertation draws on labor history; contemporary labor studies; and on U.S. industrial sociology/sociology of unions. Chapters 3, 4 and 12, provide specific references.

<sup>20</sup> The incorporation into the present work of Edwards' pattern of shop floor relations concept took place after a rough equivalent of the concept had already been developed in order to make sense of my own field research (and of historical studies on the North American auto industry). Confidence in the usefulness of Edwards' "patterns of shop floor relations" for understanding shop floor dynamics should be greater because it and my more rudimentary but similar framework grew out of two independent sets of shop floor case studies. Borrowing the word pattern (from different sources) to describe both shop floor relations and the sectoral regulatory structure may in some cases cause confusion. In general, context should make clear whether pattern refers to pattern of development or pattern of shop floor relations.

variation in workplace relations seen within the U.S. and Canadian auto industry in the postwar period and today.

The analysis of contemporary shop floor dynamics based on open-ended interviews also makes use of the idea of "world views" introduced by Sabel (1982, 11-20).<sup>21</sup> Sabel calls a "world view" a "map of the social world" acquired by workers through socialization. He notes that world views are not reducible to a person's actual experiences and objective situation; but must "prove their use in practice" by capturing at least some of the central objective features of the world. He likens the relationship between world view and social reality to that between theory and fact. Thus more than one view of the same situation may exist as different observers emphasize different aspects or connect the same aspects in a different way. The loose fit between worker world views and objective reality underlines that political struggle will have as much influence as "truth" on whether workers, at times of crisis, adopt management's interpretation of the future (and act accordingly) or a competing view articulated from within labor's ranks.

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<sup>21</sup> The concept of worker world views and the particular views outlined in chapter 10 were discovered inductively rather than imposed on the material from the outset. In trying to make sense of the interviews--and thinking about how workers might respond to different union and managerial strategies and appeals in the future--I began describing workers with different perspectives. After doing this for the U.S. plant, I began to notice the correspondance between not only my method and that described by Sabel but also between some (not all) of the specific world views I found and those in his book.

4. Labor's role in politics and society. In the work of Kochan, Katz and McKersie, politics--including labor law, public policy, trade law and, implicitly, macroeconomic policy--is considered exogenous. U.S. and Canadian history demonstrate that the sectoral union and the labor movement as a whole have a significant impact on labor's institutional ties with political parties, labor's place in society, and labor's influence on legislative battles and public policy through parties and syndicalist direct action. As well as producing a deeper understanding of institutional evolution, embedding sectoral relations in the larger social structure also helps overcome the tendency of U.S. IR scholars to ignore the role of structural inequality and ideology in containing industrial conflict.

ii. Regulation Theory

By expanding the model in Kochan et al. (1986), we have moved in the direction of the broader national institutional systems analyzed by the regulation School. The regulation literature describes postwar patterns of development as national rather than sectoral in compass for political and macroeconomic reasons. Political struggles over labor law, the social wage, and other key features of modes of regulation in the postwar period took place at the national level. In addition, workers in auto and other sectors did not consume all they produced or vice versa.

Thus, while auto sector wage increases were an essential building block of the consumption expansion that helped define Fordism, only with the addition of multi-sectoral pattern bargaining, state-enforced fair labor standards, and the welfare state did one have a largely self-contained economic system that kept consumption expanding at the rate of national output.

A study of possible new institutional structures at the sectoral level can be related to a national pattern of development in several ways. First, it can be used to suggest possible features of a national pattern. The literature on the mass production pattern of the postwar years frequently uses the U.S. auto industry to describe that pattern's paradigm of industrialization and the collective bargaining and shop floor arrangements that assured consistency with the macroeconomic regularities of the regime of accumulation (see, e.g., Piore and Sabel 1984, 97-103). Given the sweeping nature of a national pattern of development, detailed studies of "pattern-setting" sectors such as the auto industry are an essential complement to the existing regulation literature. Only such studies can make concrete the features and possible features of past and future modes of regulation as well as the nature of political struggle in times of crisis. On the last issue, despite assertions about the importance of union strategy to the character of the next stable pattern of development (Leborgne and Lipietz 1988, 278), regulation

authors themselves have so far conducted little detailed study of unions as independent actors.

This study, then, can be seen as part of a larger research effort to understand possible future patterns of national development in advanced countries. Can it also be viewed on its own terms as a study of alternative future sectoral patterns of development? This raises a set of questions about how closely its features must match those of the national pattern. Could an auto sector inclusive pattern survive within an economy-wide segmented pattern (or vice versa)? To the extent that economy-wide segmentation implies a weak labor movement, it means that there would be limited federal legislation protecting labor standards, encouraging unionization, constraining corporate conduct, or promoting skill creation and smooth labor market transitions. This limited federal role and the availability of low wage, non-union labor would create strong incentives for employers to try to move some categories of workers and types of production outside the protective umbrella of privately-constructed arrangements founded on negotiation with cross-cutting unions in the sectors where labor remains most entrenched. At the same time, the absence of society-wide ideological and institutional support for solidarity cutting across all categories of workers would make it difficult for the sectoral union to gain internal unity behind the use of substantial leverage to protect fringe workers.



In sum, while substantial variation in the degree of sectoral segmentation could undoubtedly persist depending on the historical dynamics of labor relations and on the character of production in each sector, the structure of the national pattern places significant constraints on the outcome of restructuring in particular industries. Along these lines, the last chapter concludes that the survival of an inclusive pattern of development in the Canadian auto sector depends on the ability of the Canadian progressive coalition to construct a national pattern of development more inclusive than that in the U.S. The last chapter also argues that, in the U.S., political challenges to the consolidation of a segmented national pattern of development will probably be necessary to trigger a challenge to segmentation within the auto sector.

Today, integration of the global economy raises questions about the autonomy even of national patterns of development. In nations more than sectors (and, to some extent, in the case of regions within highly federalized large countries), government employment, industrial and trade policy could play an important role in sustaining a structure more inclusive than the global average; and exchange rate movements might provide additional limits on foreign competition. The autonomy of national social structures in the future will also depend on the role of international trade and global macroeconomic management and whether these help countries with what Lipietz (1989) calls

the "best design" control over their own levels of unemployment. These issues will be addressed in more detail in the concluding chapter with respect to the stability of a Canadian inclusive pattern next to a U.S. segmented one.

#### E. Outline of an Alternative View

The remainder of this dissertation is divided into three parts. Part II explores the historical dynamics of the postwar sectoral pattern of development in the U.S. and Canadian auto industries. It ends with an analysis of U.S. and Canadian UAW strategy in the 1980s that is informed by an understanding of the two union regions' internal structures and historical traditions. Part III anchors the study of past and present auto labor relations in the case study of a Canadian and a U.S. plant of the Budd Company. Part IV builds the divergent models of plant-level social relations, national union role, and industry structure implicit in Parts II and III into an argument that two distinct patterns of development could emerge from the restructuring taking place in the North American auto industry today.

At the beginning of Part II, chapter 2 first puts the labor-management and political struggles of the 1930s and World War II years in the context of differences between U.S. and Canadian pre-depression economic and labor history. Chapter 2 then examines the auto sector pattern

of development that emerged out of World War II in each country. It shows that this pattern enabled the UAW to solve what Piore (1985) calls union's fundamental dilemma-- the need to simultaneously serve the particular interests of their members and of the community at large. The UAW solved this dilemma by delivering high wages to the membership and protecting them from the worst excesses of pre-union discipline; by helping to sustain national purchasing power; and by pursuing a political agenda widely seen as in the public interest (Piore 1982 and 1985). Chapter 2 also emphasizes that the postwar structure represented only a partial victory for labor: on the shop floor, the UAW won only a restricted role; in national politics, the U.S labor movement won only a weak welfare state. Unlike some European labor movements, it did not win legislative support for sectoral bargaining or active labor market policy.

While this general story applies to Canada as well as the U.S., the last half of chapter 2 shows that subtle differences existed in the Canadian auto sector pattern of development and its labor correlate, "responsible unionism" (Yates 1988). These differences grew out of the somewhat more rank-and-file and left-wing orientation of the pre-depression Canadian labor movement and the process of industrial union formation in Canada. The late passage of the Canadian equivalent of the Wagner Act in 1943, after industrial unions had already made great headway, may have

more deeply rooted rank-and-file confidence in collective action. It also left Canadian union leaders with less commitment to the grievance system than their U.S. counterparts and played a part in preserving the Canadian District Council. The consequences of the way industrial union formation played out in the 12 years after 1935 combined with Canada's less virulent postwar anti-communism and with Canadian nationalism to forestall bureaucratization and sustain Canadian rank-and-file capacities for challenging management and the union leadership into the 1960s. Politically, while labor's political strength in Canada produced no major institutional differences between the U.S. and Canadian auto sectors before the 1970s, the government's delayed support for collective bargaining helped labor avoid blame for strikes during and immediately after the war; and helped consolidate the position of the labor-allied Commonwealth Commonwealth Federation in Canadian politics.

Chapter 3 presents the analytical reinterpretation of shop floor relations under work rules and the grievance procedure. It shows that considerable variation in shop floor relations persisted within the confines of the formal institutions of procedural unionism. The more collective patterns provided workers, led by shop floor leaders, with continuing influence on work effort, working conditions and supervisory behavior. Where machine-pacing, a more bureaucratic managerial approach and economic conditions

discouraged the creation or reproduction of collective traditions, however, workers' influence waned and along with it their contentment on the job and with the union.

Chapter 4 explores the challenge to the compromises of the postwar labor-management structure that emerged out of younger U.S. and Canadian workers' frustrations on the job in the late 1960s and early 1970s. It shows how, at this critical branch point, contrasting economic trends in the two countries and greater racial and generational division in the U.S. combined with and reinforced the preexisting structural and ideological differences between the Canadian and U.S. UAW. In the U.S., the death of Walter Reuther and open conflicts between UAW leaders and rank-and-file militants narrowed the UAW's capacity for incorporating dissent, weakened its collective identity and cost it support among younger, especially black workers on the shop floor. In Canada, the rank-and-file District Council and nationalist indignation at International UAW interference in a 1974 strike made the regional leadership more sensitive to the rank-and-file and led to demands for greater regional union autonomy.

The last section of chapter 4 briefly explores political developments in the second half of the 1970s as corporations and the state began to perceive that labor's institutionalized wage gains and shop floor protections were constraining employers' ability to respond to economic pressure. In the U.S., the failure to pass a limited labor

law reform bill in 1978 symbolized the disintegration of the postwar progressive political coalition in the U.S.; and the collapse of the justification for unions in U.S. postwar political culture (Piore 1983). UAW President Doug Fraser's retreat from political mobilization after calling the business community's concerted efforts to defeat labor law reform "one-sided class war" signified U.S. labor's emerging sense that it had no choice but to accommodate to an increasingly hostile economic and political climate.

In Canada, within the UAW, labor movement mobilization against wage controls carried to the end of the 1970s the unity created by the shop floor struggles earlier in the decade. In the labor movement as a whole, this mobilization and a halting attempt to articulate a nationalist economic strategy helped the Canadian labor movement gain a place in Canadian society as a protector of national identity that went beyond labor's specific place within the postwar mass production pattern of development.

Chapter 5 describes the first signs of decay in the economic foundation on which existing wage rules and shop floor arrangements rested. It documents the decentralization of production by independent parts companies in response to falling profit rates and shop floor discontent; and the way this progressively weakened pattern bargaining. It also illustrates that the reinsertion of wages into competition in the parts sector

was not entirely an exogenous event but one which reflected the priorities and responsiveness of the UAW.

By the end of chapter 5, then, we have the fourth and final piece of the context critical to understanding industry labor relations since 1979: the first is the strength of rank-and-file commitment to the union and the existence or absence of a core of union supporters in the plants; the second, the unions' capacities for mobilizing and unifying workers and, associated with that, the strength of links between secondary and national leaders and the horizontal links among secondary leaders; the third the power of the UAW--and labor more generally--in politics in each country; and the fourth, the strength of limits on wage competition--union coverage and the institutional supports for pattern bargaining among organized firms.

Chapters 6 and 7 take us to the 1980s, to brief descriptions of new management investment, sourcing, collective bargaining and shop floor labor strategies, and to the national union responses to these strategies. Chapter 6 focuses on the U.S. It explains the UAW leadership's actions and the internal divisions brought on by the union's steps towards labor-management cooperation as outgrowths of the centralization and demobilization that accompanied the union's incorporation into Fordism. Chapter 7 contrasts the U.S. strategy and fragmentation with the Canadian region's resistance to management and its success at unifying workers around a more militant

response. It explains this as a result of the more partial institutionalization of national and local conflict in Canada in the 1950s and 1960s; and, more immediately, as a result of national and shop floor remobilization that took place in the context of management and government attacks as well as rapid regional expansion in the 1970s.

Chapter 8-11 take us to Part III and our case study of the Budd Company's Detroit, Michigan and Kitchener, Ontario plants. The first chapter retraces our national histories at the local level. Chapter 8 explores the particular place of the Budd company in the auto industry, its incorporation into the auto wage pattern, and the history of labor relations at the Detroit and Kitchener plants.

In chapters 9 and 10, the dissertation moves beyond the national story told in chapters 2 through 7. It moves from analyzing the decomposition of one institutional system to arguments about the construction of a new one. It begins this from the ground up: by developing empirically-grounded hypotheses about future patterns of plant-level social relations. A first step in this effort is chapter 9's detailed examination of management strategy at Budd's plants in the 1980s. Chapter 10 explores contemporary shop floor and union-management dynamics at Detroit and Kitchener in light of management strategy and the shop floor social structure and union role inherited from the past. Chapter 11 draws out the broader implications of the case studies by characterizing the



three alternative future models of shop floor relations seen in embryo at Budd.

Part IV combines insights from the Budd Company with evidence from other sources in outlining the alternative patterns of development that might succeed Fordism in the North American auto industry. It focuses on four aspects of the segmented and inclusive patterns. The first is the extent of low wage and non-union domestic and international competition--and the potential importance of labor costs and low labor rights in the next auto model of industrialization. The second and third aspect of our two sectoral patterns are the role of the union in the plants; and the strength of links among workers across plants and companies within the industry. The last is the power of the union in regional and national politics.

In Canada, the continuing visibility of the union in the plants and labor's place as a guardian of national identity may enable the CAW to consolidate a variant of Piore's (1983) proposed solution to labor's fundamental dilemma: at the individual work place, regionally, sectorally, and within particular skilled crafts, the union would serve its members by enforcing their rights to participate in management decisions, by co-planning training programs, by developing single- or multi-employer career ladders that provide both employment security and more meaningful jobs, and by negotiating work-time arrangements that mesh with workers' family

responsibilities. In society as a whole, the union would be seen as an institution that promotes quality and innovation both directly and by ruling out wage cutting, work intensification and management actions that threaten to undercut cooperation in production. More generally, labor would be seen as a critical element of a progressive coalition that takes responsibility for the social dimension of marketplace competition and, not incidentally, for the preservation of Canadian sovereignty.

In the U.S., cooperation with management initiatives from a position of weakness and disunity may be leading local union leaders to lose the sense of responsibility for the industry as a whole that is necessary to "transcend craft and industrial unionism" (Piore 1983)--i.e. to develop unions that combine the best rather than the worst features of these two models--and establish an inclusive industrial structure. With union coverage shrinking, with the decline of union presence on the shop floor in organized factories, and with U.S. labor's invisibility in national politics, forging an inclusive auto sector pattern of development in the U.S. will require regenerating rather than simply redefining the role of industrial unions in plants and in society. If it is to take place, such regeneration will doubtless depend in part on assistance from Canada, as the CAW and the rest of the Canadian labor movement attempt to preserve their position in the face of

the Free Trade Agreement and economic integration with Mexico.

Whatever the outcome of the current institutional transition in auto and nationally, the two alternative systems of regulation outlined here would have profoundly different consequences for a range of economic variables, including the form of wage payments, effort levels, employment security arrangements for different fractions of the workforce, the attainment and distribution of human capital, the geographical distribution of production, the length and frequency of strikes, and income distribution. As it was between 1950 and 1980, it will be impossible to explain these economic variables simply as a function of technology, individual workers' underlying preferences, union objective functions, and profit maximizing behavior by firms. As it was between 1950 and 1980, it will be impossible to explain these economic variables without addressing the historical, social and political processes that produced the patterns of development with which we end up.



**PART II.**

**THE NATIONAL HISTORICAL AND POLITICAL CONTEXT**



CHAPTER 2: THE EMERGENCE OF FORDIST REGULATION IN THE  
NORTH-AMERICAN AUTO INDUSTRY

A. Historical Background

Before the Great Depression, the U.S. and Canada followed fundamentally different economic development paths. The U.S. in the 19th century had a shortage of skilled labor, no guild traditions, and a large and relatively affluent yeomanry. In this labor and product market context, the development of the American System of manufacturing, the aggregation of the U.S. market through the construction of a national rail network, and the creation of the modern business corporation led to the evolution of mass production (Piore and Sabel 1984). Although Canada also established a rail system parallel to the border between the two countries, its less populous and more regionally fragmented economy, and its economic relations with Britain and then the U.S. inhibited the development of domestic manufacturing. In 1930, Canada remained heavily dependent on foreign capital and investment. It produced agricultural staples, raw materials, and a limited range of protected manufactured goods.<sup>22</sup>

While they failed to foster much dynamic, indigenous manufacturing, Canada's development policies in the 60 years before the Great Depression did inhibit its economic

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<sup>22</sup> The account here of Canada's economic development before 1930 is based on Levitt 1970.

integration with the U.S. Such integration between the two countries appeared likely after they signed the Reciprocity Treaty in 1854. The U.S. turned protectionist after the Civil War, however, and abrogated the Reciprocity Treaty. This abrogation and British and Canadian elite concerns about the growing power of the Northern U.S. states precipitated the 1867 passage of the British North-America Act. The Act created present-day Canada from the formerly separate British colonies of New Brunswick, Nova Scotia, and Canada (Levitt 1970, 49).

After 1867, an alliance between the federal government, the Conservative party and manufacturing and financial interests in Central and Eastern Canada established the Canadian "National Policy." Behind the protective wall of the 1878 "National Tariff" and with the help of a national railway funded by government-guaranteed bonds, the National Policy sought to develop the east-west links in the Canadian economy. Canadian prairie wheat provisioned British cities while Central Canada's manufacturers shipped products west and the railway monopoly profitted from shipments in both directions. Under the National Policy, Britain provided Canada with manufacturing goods, direct investment and financial capital that backed the railway bonds. In political debates in 1891, 1911 and 1921, continental integration and reciprocity were offered as an alternative to the National Policy. All ended in defeat for this alternative and



helped create a Canadian national identity centered on explicit rejection of integration, in part because it would destroy Canada's distinct culture and social character.

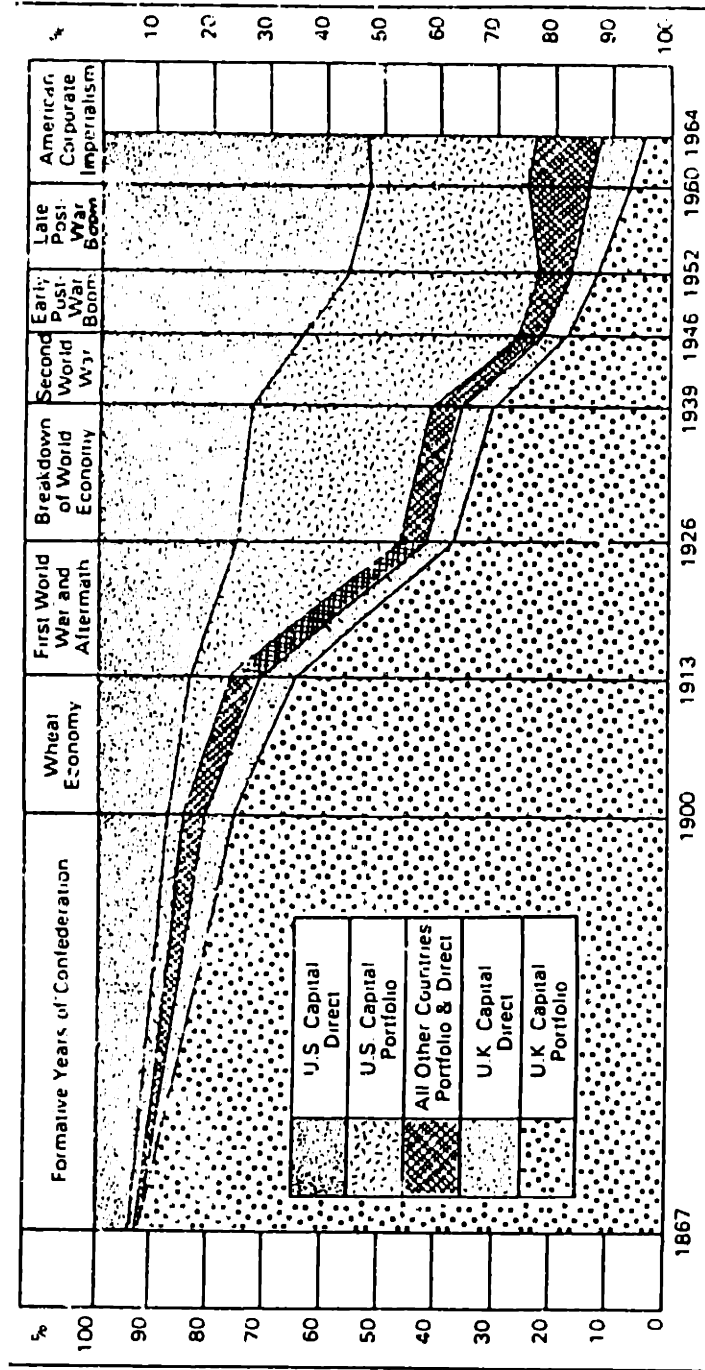
Despite the National Policy and the political defeat of policies to foster ties with the U.S., Canada never really developed a coherent and self-reproducing alternative to economic integration with the U.S. Thus, in the first third of the twentieth century, developments along Canada's "east-west spine" were "imperceptibly...overlaid...by a multiplicity of north-south linkages of trade and investment" (Levitt 1970, 53-54). The development of Canadian-U.S. economic linkages accelerated after World War I as Britain's economic and political power diminished and that of the U.S. increased (see figure 2.1). Manufacturers in the U.S. relied on iron ore, wood and other raw materials from Canada. U.S. producers also began to leap over the tariff barrier to establish branch plants within Canada. In the auto industry in the late 1920s, as well as the domestic market, Canadian plants of the major U.S. producers served the British market to which Canada had preferential access (Laxer 1976).

Canadian and U.S. labor relations followed paths more similar than their economies before 1930.<sup>23</sup> In both countries, efforts by the Knights of Labor to organize the

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<sup>23</sup> This and the following paragraph follow the analysis in Lipsig-Mumme 1989.

**FIGURE 2.1**  
**BRITISH AND U.S. INVESTMENT IN CANADA**



Source: Levitt 1970

semi-skilled and unskilled into industrial unions failed in the latter part of the 19th century. The International Workers of the World (IWW) and, in Canada, One Big Union (OBU) also failed to take hold in the early part of the 20th century.<sup>24</sup> During the emergence of mass production in the U.S., and the early stages of its export to Canada, therefore, unionism in North America was restricted primarily to skilled workers. After rising briefly during World War I, union membership in both countries shrank to 11-13 percent after the War and in the 1920s (table 1.1). Skilled workers were represented by the American Federation of Labor and its Canadian counterpart, the Trades and Labor Congress (TLC).<sup>25</sup> The AFL and TLC bargained within the capitalist system for better wages and benefits for skilled workers. They rejected attempts to transform the system politically or form institutional links with political parties.

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<sup>24</sup> Isolated Knights of Labor locals did survive in Canada (Kealey 1982). The IWW/OBU also endured somewhat longer in Canada (Peterson 1981).

<sup>25</sup> In 1901, the AFL gained control of the Canadian peak council, and forced the expulsion of Canadian national unions which refused to merge into U.S. unions representing workers in the same crafts (Laxer 1976). While it drove industrial unionism out of the heart of Canadian manufacturing well before the IWW disappeared in the U.S., this expulsion seeded pre-1930 industrial unions in Canada's western and eastern periphery: the Canadian Brotherhood of Railway Employees (CBRE), industrial unions in major resource extraction industries, and catholic industrial unionism in Quebec. Both the Knights of Labor and the IWW/OBU played a part in the emergence of Catholic trade unionism in Quebec.

## B. Industrial Union Formation in the U.S. and Canada

By 1957, the U.S. and Canadian labor movements would look as similar as they did in 1930. Union coverage now stood at 32.8 percent in the U.S. and at 32.4 percent in Canada. The merger of the AFL and CIO, and of the TLC and the Canadian Congress of Labor (CCL) (to form the Canadian Labor Congress or CLC) preserved the structural similarity in the two countries' peak associations. Although by now Canada had a left-wing party with loose ties to labor, the Canadian Commonwealth Federation (CCF), the CCF remained a minority party nationally and in Ontario, the major industrial province. The Canadian and U.S. welfare states remained weak by comparison with Europe. Labor's role within the auto sector and other major industries dominated by international unions appeared virtually identical in the two countries. Relying primarily on the auto example, the burden of this chapter is to show that, despite formal similarities in labor's role in industry and politics, the postwar regulatory structure in Canada had a less "demobilizing" impact on Canadian labor in the following mutually reinforcing ways: by the end of the 1950s, collective traditions among production workers in high visibility, mass production plants were probably stronger in Canada; the rank-and-file within Canadian unions, particularly the UAW, remained better able to pressure their leaders into supporting militant tactics; Canadian unions retained a more significant left wing; and Canadian

union leaders and activists developed stronger confidence in and commitment to political action.

These intertwined differences between the U.S. and Canada emerged during the historical process of industrial union formation in the two societies (Huxley et al. 1986). The role of the state in this process interacted with other differences between the U.S. and Canada to produce a reversal in the two labor movement's socio-political position between the late 1930s, when U.S. labor held the more favorable position, and a decade later. In the U.S., the federal government passed the National Labor Relations (or "Wagner") Act over substantial corporate opposition in 1935 and supported union organization in principle from that point forward. During World War II, the War Labor Board also pressured U.S. companies into accepting union "maintenance-of membership" and dues check-off clauses in exchange for the no-strike pledge (Lichtenstein 1982). Worker militance still proved necessary to win union recognition in most U.S. firms after the passage of the Wagner Act and during World War II. Nonetheless, the government's support for collective bargaining led major manufacturing firms to turn more quickly than they would have done otherwise to pragmatic strategies aimed at achieving "responsible" union behavior--i.e. union assent to limits on the right to strike in exchange for institutional security.

In Canada, by contrast, the passage of provincial and federal legislation modelled on the Wagner Act was delayed in part because of the tight links between the governing Liberals and anti-union mining and manufacturing interests (Abella 1973); and in part because of the limited resonance of Keynesianism within Canada's two major parties (Bruce 1988, chapter 5). Ontario's Collective Bargaining Act and Canada's federal PC1003 went into effect only in April 1943 and February 1944, respectively. Even then, the federal decree was only good for the duration of the war; and the government did not pressure employers to grant union security. The lack of state support for unions meant that fewer Canadian managers made the kinds of tactical retreats seen at GM in the U.S. in 1937. At GM and Ford in Canada, recognition of the International UAW and union security were only granted after more prolonged collective action than at the same firms in the U.S.<sup>26</sup> More generally, a higher proportion of Canadian workers appear to have lived through the type of extended "open warfare" with employers that helped entrench a powerful network of shop stewards at Chrysler's huge Dodge Main plant in Detroit (see C(iii) below). While conflict per se does not necessarily engender collective confidence, Canadian workers received concrete evidence of the value of collective action in the early war-time expansion: about half of the increment in

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<sup>26</sup> No comparative information on Chrysler has been published.

Canadian union coverage (including Ford and GM) between 1930 and 1957 came before the passage of PC1003.<sup>27</sup> In the U.S., by contrast, only a tiny percentage of the rise in union coverage associated with the emergence of industrial unions came before the passage of the Wagner Act.

The lack of state support for collective bargaining in Canada also produced important differences in internal union dynamics in the two countries, especially during World War II. At major firms in the U.S., the War Labor Board's support for collective bargaining and the unions' no-strike pledge gave a generation of labor leaders and industrial relations specialists experience applying the grievance procedure and arbitration to the resolution of shop floor disputes. The tension between union leaders and shop floor militants that accompanied labor's attempt to

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<sup>27</sup> As measured by the large-scale work stoppages reported in government data series, the level of conflict was quite similar in the U.S. and Canada during World War II (table 2.1). This underlines that, absent better historical evidence, the difference in the strength of war-time collective traditions in Canada should not be exaggerated. On the other hand, for at least three reasons, large-scale work stoppage data do not always indicate the strength of shop floor collective traditions: (1) The data for both countries explicitly excludes the short (less than half a day) and small (fewer than 1000 work-hours stoppages that signify deeply entrenched collective traditions and continuous bargaining between stewards and supervisors. (In most of the years reported, the figures for "workers involved" in the Canadian auto industry are dominated by one or two major strikes.); (2) The number of workers "involved" in work stoppages does not always indicate the number of active participants in strikes; (3) Less bureaucratically managed firms (or plants) that tend to have strong shop floor unions also tend to keep poor records and may be underreported in national data (for one example of this, see chapter 8).

TABLE 2.1

**WORKERS INVOLVED IN WORK STOPPAGES IN THE U.S. AND CANADA  
(as a percentage of the industry workforce)**

| UNITED STATES |              |               |                 |              |        |          |
|---------------|--------------|---------------|-----------------|--------------|--------|----------|
|               | All Industry | Manufacturing | Auto & Aircraft | Iron & Steel | Rubber | Textiles |
| 1941          | 8.4          | 12.2          | 39              | 20.4         | 27.1   | 7.9      |
| 1942          | 2.8          |               | 8.4             | 6            | 10.1   | 7.2      |
| 1943          | 6.9          |               | 26.8            | 20.4         | 46.8   | 4.4      |
| 1944          | 7            | 11.3          | 50.5            | 20.3         | 18.5   | 4.6      |
| 1945          | 12.1         | 19.2          | 75.9            | 26.4         | 127.3  | 9.3      |
| 1946          | 14.5         | 14.5          | 21.7            | 54.1         | 39.1   | 3.8      |

| CANADA |              |               |      |                |        |          |
|--------|--------------|---------------|------|----------------|--------|----------|
|        | All Industry | Manufacturing | Auto | Metal Products | Rubber | Textiles |
| 1941   | 5.7          | 4.3           | 10.6 |                | 2.6    | 4.0      |
| 1942   | 6.6          | 7.4           | 34.0 |                | 0.0    | 3.3      |
| 1943   | 11.9         | 11.8          | 38.4 |                | 23.5   | 2.5      |
| 1944   | 4.1          | 4.5           | 35.1 |                | 42.9   | 3.9      |
| 1945   | 5.5          | 5.9           | 44.4 |                | 39.9   | 3.2      |
| 1946   | 8.0          | 9.0           | 10.0 |                | 60.0   | 8.8      |
| 1947   | 5.5          | 4.0           | 0.0  |                | 2.4    | 6.7      |
| 1948   | 2.2          | 1.7           | 7.9  |                | 1.5    | 2.4      |
| 1949   | 2.6          | 3.0           | 11.9 |                | 22.8   | 1.1      |

**RATIO OF PERCENT OF U.S. WORKFORCE INVOLVED IN STRIKES TO PERCENT  
OF CANADIAN WORKFORCE INVOLVED IN WORK STOPPAGES: 1941-46**

| All Industry | Manufacturing | Auto&Air-Craft/Auto | Rubber | Textiles |
|--------------|---------------|---------------------|--------|----------|
| 1.24         | 1.33          | 1.29                | 1.59   | 1.44     |

## NOTES:

1. The U.S. data is taken from Lichtenstein 1982, 135 and based on U.S. Department of Labor employment and work stoppage data.
2. Canadian figures are calculated from work stoppage data in *Strikes and Lockouts in Canada*, various years; and from employment figures in *Employment and Earnings in Canada*, various years.
3. *Strikes and Lockouts in Canada* does not itself aggregate the number of employees involved in strikes within auto and auto parts. It uses the broader aggregate, Non-ferrous Metal Products. The auto aggregate was compiled by the author based on brief descriptions of plants involved in individual stoppages. Only plants with the words "auto", "auto parts" or "truck" in their description were counted as auto strikes.



honor the no-strike pledge also planted the seeds of a separation that grew deeper after the war (Lichtenstein 1982). In Canada, after the war broke out, the government established wage controls and extended compulsory conciliation to cover 85 percent of industrial activity but still remained "neutral" on the issue of union recognition (McDowell 1979). This led the CCL to conclude that workers could not give up their economic leverage and support a no-strike pledge. When Canada's Wagner equivalent did pass, it prohibited strikes during the course of a contract. Thus, rather than agreeing to prohibitions in exchange for recognition and union security, Canadian union leaders had no-strike clauses imposed on them. Since these restrictions were not part of a labor relations model that union leaders helped invent, Canadian labor leaders developed less commitment to the grievance procedure and continued to identify with workers' perception that management actions more than occasionally justified an extra-contractual (and illegal) collective response. In the UAW, a more pragmatic as opposed to normative commitment to the grievance procedure; and deeper sympathy for rank-and-file action continued to characterize Canadian leaders after the War.

By the 1950s, Canadian unions, including the UAW, also retained stronger rank-and-file and left wing traditions than their U.S. counterparts. In Canada's southern Ontario manufacturing core, immigrant militants shaped by British

rank-and-file traditions constituted a higher proportion of union activists than in the U.S.<sup>28</sup> Before World War II, Canada also had a somewhat stronger communist left, especially among resource extraction unions in Western Canada.<sup>29</sup> The events of the 1940s and 1950s deepened the contrasts between the influence of the rank-and-file and left-wing traditions in Canadian and U.S. unions. This was especially true in the UAW, in which rank-and-file influence on union policy became institutionally embodied in the District Council.

Since the Canadian left survived the war and postwar red-baiting tattered but in tact, it helped the District Council retain its vitality into the postwar period of stable labor-management relations. In the U.S., in World War II, many communists weakened their ties to apolitical militants and made themselves vulnerable to subsequent red-baiting by being the most enthusiastic supporters of the no-strike pledge. In Canada, the government's anti-labor policy made blanket opposition to strikes an untenable

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<sup>28</sup> Only 2.2 percent of the urban Michigan population in 1940 was made up of first-generation English, Welsh, Scottish or Irish immigrants. In urban Ontario in 1941, the comparable figure was 13.7 percent (for more detail, see Herzenberg 1990). Since George Burt became its head in the late 1930s, all three of the Directors of the Canadian region of the UAW have been British or Irish. For a history of why labor activists left Britain and Ireland in the first third of the 1900s and of their subsequent influence, despite their small numbers, on the formation of the UAW in the U.S., see Babson 1989a and 1989b.

<sup>29</sup> Most prominently, the International Woodworkers of America, the International Union of Mine, Mill and Smelters Union and the International Leather and Fur Workers Union (Abella, 1973).

position and led pragmatic communists, at least in the UAW, to avoid the marginalization suffered by many U.S. party members.<sup>30</sup> After the war, while the CCL as well as the CIO kicked out "communist-led" unions, the expulsion of communists never gained legal sanction in Canada as it did under Taft-Hartley in the U.S.<sup>31</sup> Moreover, nationalism provided a counterweight to anti-communism within Canada. In the CCL/CLC and the Canadian UAW in the 1950s, the division between nationalists pushing for greater Canadian regional autonomy and pro-international forces began to supplant the left-right division. This helped the residue of radicals that survived Canadian red-baiting to form or cement alliances with left-wing CCF'ers and rank-and-file militants.

Finally, the way World War II played out helped Canadian labor establish a more influential position than U.S. labor in national politics. In the U.S., "unpatriotic" war-time strikes and the scale of postwar labor unrest turned the public against labor. Together with the enormous power of U.S. business, the strike wave helped produce the Taft-Hartley Act and led labor to retreat from the idea of establishing a third, labor-allied party. In Canada, since unions were being asked to

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<sup>30</sup> Yates 1988. Some communist-dominated unions in Canada did make no-strike pledges after Germany invaded Russia, including the United Electrical (UE) workers (Abella 1973, 141).

<sup>31</sup> Quebec, which passed a law requiring decertification of any union that "tolerated Communists" in 1954, is an exception in this regard (Clement, 1984, 91-92).

sacrifice for the war without recognition or protective legislation, the public blamed the Liberal government for the war-time strike wave. The public turn against the anti-union Liberal Party Premier in Ontario made the CCF the official opposition. From a longer-term perspective, while its war-time success did not enable the CCF to escape its minority status (except in smaller provinces), or eliminate tensions between Labor and the CCF because of the party's resistance to identifying itself as a Labor Party, it did help ensure the permanency of the CCF in Canada and thus leave Canada with a broader, more social democratic political spectrum than the U.S.

With this general argument in mind, the rest of this chapter looks in more detail at developments between 1930 and 1960 in the U.S. and Canadian auto sectors. It begins with a description of the auto regulatory structure that emerged in the U.S. It then analyzes why this structure emerged and considers its implications for internal union dynamics in the U.S. The subsequent section of the chapter describes the origins of the parallel Canadian structure, emphasizing the subtle differences that emerged within it. The last part of the chapter analyzes in more detail the political differences between the U.S. and Canada that emerged between 1930 and the late 1950s.

### C. The Emergence of the U.S. Auto Sector Pattern of Development

#### i. The Key Features of the Postwar Structure

Two visions of the role the UAW would play in the auto industry dueled for prominence in the U.S. between the early 1930s and the end of World War II.<sup>32</sup> The first, introduced to a generation of managers, labor leaders and executives during the war, was a rule-based, procedural approach to reconciling workers' demands for fair treatment with the demands of economic efficiency (for more on this, see chapter 3). This vision "presupposed yet circumscribed conflict, by focusing on the development of a 'rational' structure of wages...and job definitions" (Piore and Sabel 1984, 100). Management assumed responsibility for organizing production; the union negotiated rules in collective bargaining that set limits on management conduct and then monitored enforcement of these rules between contracts. If the parties could not settle their disagreements about the interpretation of a rule in the various steps of a formal grievance procedure, they presented their cases to a "neutral" arbitrator. The second, more inchoate vision of the UAW's role contained a less broad managerial prerogative and an expanded realm of worker self-management and "substantive" dispute resolution. This alternative had been encouraged by war

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<sup>32</sup> This and the following two paragraphs are based on Piore and Sabel 1984, 99-102.

production boards' creation of labor-management committees aimed at cooperatively boosting war-time productivity. Permissive war-time economic conditions had also given workers power to use collective action as a way of enforcing expanded autonomy and shop floor labor-management negotiation.

GM-UAW negotiations after the war resolved the uncertainty surrounding the union's role in production and industry planning in favor of the rule-based model. In 1946, the UAW presented GM with an ambitious set of demands. It sought to open GM's price setting to union and public scrutiny. The union also wanted to end management's unilateral authority to set production standards as part of UAW efforts to expand its control over work organization. When GM proved intransigent, the UAW settled for an 18.5 cent pattern wage increase without loosening the company's hold on its managerial prerogatives. This set the pattern for the postwar period, throughout which the union would trade-off a restricted role on the shop floor for increases in wages and benefits. In Ford and GM plants, in particular, a 50 percent drop in the number of wildcat strikes in the immediate postwar years (despite rapidly rising employment) signalled management's reassertion of authority on the job (table 2.2).

By the end of 1950 bargaining, all three of what Katz calls the "key features" of postwar collective bargaining were in place: wage rules, connective bargaining, and "job

**TABLE 2.2**  
**ANNUAL NUMBER OF BIG THREE LOCAL STRIKES PER**  
**1000 WORKERS: UNITED STATES, 1937-78**

|         | Chrysler |       | Ford    |       | General Motors |       |
|---------|----------|-------|---------|-------|----------------|-------|
|         | Wildcat  | Auth. | Wildcat | Auth. | Wildcat        | Auth. |
| 1937-40 | 56.2     | 0.5   |         |       |                |       |
| 1941-45 | 144.8    | 0.0   | 151.5   | 0.0   | 71.0           | 0.2   |
| 1946-50 | 100.8    | 0.5   | 63.0    | 2.0   | 25.6           | 0.2   |
| 1951-55 | 157.6    | 0.2   | 86.3    | 1.7   | 43.8           | 0.4   |
| 1956-60 | 241.0    | 1.8   |         |       | 22.4           | 4.0   |
| 1961-65 | 15.0     | 1.8   |         |       | 18.4           | 4.6   |
| 1966-70 | 58.4     | 2.4   |         |       | 28.0           | 10.0  |
| 1971-75 | 49.4     | 3.8   |         |       | 16.0           | 9.0   |
| 1976-78 | 45.7     | 8.3   |         |       | 8.7            | 7.0   |

**SOURCE:** Lichtenstein 1986b. Lichtenstein (1986b, 137) says that "despite the unavailability of Ford data, the situation there mirrored that at GM and Chrysler... The company complained in 1955 that the number of unauthorized strikes was 50 times the level of GM. A decade later Ford reported its problems with such stoppages greatly diminished."

control" unionism on the shop floor. The two major postwar wage rules emerged from 1948 negotiations when GM Chairman Charles Wilson offered annual wage increases equal to approximately the annual rate of national productivity growth--the Annual Improvement Factor (AIF)--plus periodic cost-of-living adjustments (COLA) (Katz 1985, pp. 16-17). The reduction of wage negotiations to application of the AIF and COLA wage rules left the UAW free to focus national negotiations on winning new fringe benefits such as improved medical care, pensions, Supplementary Unemployment Benefits (SUB), early retirement and Paid Personal Holidays (PPH). These contractual gains served in lieu of the government provision of welfare benefits in more social democratic countries.

The second of Katz's key features, the auto connective bargaining structure, took wages and benefits largely out of competition and established a floor on the type of on-the-job protection provided by the union. In the Big Three each contract year the UAW would pick one company as the "target". After settling with the target, sometimes after a strike, the union would force the other major automakers to accept virtually identical compensation terms. Outside the Big Three, the union sought to impose as much of pattern wage and benefit improvements as possible on independent suppliers. As long as plant closings were rare and the industry was growing in traditional centers of production, the low-seniority workers laid off at declining



plants could hire on somewhere else. When economic pressure on parts companies intensified during and after the late 1950s recession, however, increasing numbers of parts locals did accept deviations from the pattern (see chapter 5).

In the plants, what Katz calls job control unionism affirmed management's right to move and the union's right only to grieve when it objected to management actions. The UAW received the union shop, dues checkoff, and checks on managerial authority through work rules, the seniority system, and the grievance procedure. In exchange, it helped channel disputes into this procedure, accepted restrictions on the right to strike during the life of a contract and acknowledged management's right to discipline illegal strike leaders. The union also centralized authority for starting mid-contract local strikes (Lichtenstein 1985; Jefferys 1986, 24-33).

From GM's point of view, while the compromise struck with the UAW involved accepting the union, it also forced the union to behave "responsibly." It thus helped reduce the frequency of work stoppages that proved so expensive in highly integrated auto operations. The structured character of national bargaining also reduced the possibility of long strikes and the uncertainty that made it difficult for the company to plan ahead. The wage rule proposed by Wilson was affordable for GM as long as the company kept pace with average productivity and price

increases--something it had done easily in the past (Piore and Sabel 1984, 102). In addition, as pattern bargaining spread wage rule increases throughout the industry, it helped drive some of GM's smaller competitors out of business. As productivity-based wage increases diffused throughout the whole economy, they generated demand for GM's mass-produced vehicles. For UAW workers, the structured conflict of the postwar order provided steadily rising wages and benefits; limits on wage and work rule whipsawing; and protections against the type of working conditions and supervisory capriciousness that had fueled workers' organizing efforts in the first place. For the UAW itself, the postwar collective bargaining structure provided a secure place in the industry.

ii. The Causal Roots of the UAW's Restricted U.S. Role

It is impossible to know whether the UAW would have succeeded if it had refused to accept the GM compromise as the industry-wide model in the U.S. and had instead mobilized behind a more expansive definition of union and worker rights. A range of factors, however, mitigated against such an attempt. First, U.S. mass production technology and labor history worked against the rooting of labor control on the shop floor. According to Lichtenstein (1980, 353 and 336-338), automation and work reorganization in the 1930s and 1940s reduced U.S. workers' control of the pace of production, making production technology less

conducive to the institutionalization of militant shop floor traditions. In addition, the weakness of U.S. craft union traditions and the absence of an ideology of workers' control equivalent to that espoused by the British shop stewards' movement restricted rank-and-file pressure for more shop floor autonomy to skilled workers heavily influenced by British traditions (Brody 1980; Babson 1989a).

Second, GM's strategic acceptance of the UAW after the 1937 Flint sitdown reduced the possibilities for successful mobilization at pattern-setting GM itself. This acceptance meant that many GM workers entered the era of stable unionism without personal experience of successful collective action<sup>33</sup>; and raised questions about the strength of workers' resolution if union leaders had held out for a stronger shop floor role at GM or elsewhere.

Third, among UAW leaders, particularly at GM, the experience gained during World War II generated support for procedural unionism and gave them confidence that the union could secure a permanent place in the industry by fulfilling its obligations under this system. This, in turn, inhibited union leaders from perceiving expanded

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<sup>33</sup> Jefferys (1986) estimates that well under 10 percent of the workforce took part in major sitdowns in Flint and Cleveland.

substantive bargaining between stewards and supervisors as an incipient alternative to the grievance system.<sup>34</sup>

Fourth, any UAW attempt to articulate an alternative to the grievance system programmatically, and fight for a complementary union role off the shop floor, would have faced a sophisticated, powerful, and unified business community. While the leaders of the business community in core manufacturing industries stood ready to accept limited wage concessions and had

...recognized the new industrial unions' usefulness as stabilizers of the labor force and moderators of industrial conflict...In no uncertain terms, they sought the restoration of managerial prerogatives that wartime conditions had eroded in the areas of product pricing, market allocation and the shop-floor work environment (Lichtenstein 1982, 220; see also, Harris 1982).<sup>35</sup>

Fifth, internal union politics provided an additional incentive for UAW leaders to accept the place in the industry and on the shop floor defined by the 1946-1950 agreements with GM. Stable relations with employers made a continuation of Reuther Caucus control of the union a virtual certainty after the 1947 UAW convention. Renewed mobilization and a return to less structured conflict with

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<sup>34</sup> In this context, the reaction of UAW Region 1 Director and Reuther ally, George Merrelli, to the decentralized system of bargaining between stewards and supervisors he observed at Budd-Detroit at the end of the 1950s is instructive (see chapter 8).

<sup>35</sup> For one specific example of managerial determination to reestablish shop-floor control within a company organized by the UAW, see Meyer's (1984, 1988 and no date) discussions of Allis-Chalmers in Wisconsin.

employers might have created opportunities for factional opponents to renew their support among the rank-and-file.

iii. Postwar Industrial Relations and Internal Union Structure

Within the UAW, a consolidation of power by the ReutherCaucus took place simultaneous with the definition of the postwar labor-management relationship. From Reuther's perspective, stability at the top of the union facilitated International union control over local strike activity and enabled the UAW to live up to the bargain struck with GM. It thus made management willing to concede the union a permanent place in the industry. The elimination of opposition to the Reuther Caucus also put an end to the UAW's draining internal union factional fights. One of these, between a conservative faction led by the first UAW President Homer Martin and a progressive "Unity" faction, had almost cost the union its recognition at GM in 1939 (Babson 1989a, 569-590). A second faction fight, between the Reuther Caucus and the communist-supported Addes-Thomas faction, had consumed the bulk of union energies between the 1946 and 1947 UAW conventions (Howe and Widick 1949, 103). With "teamwork in the leadership and solidarity in the ranks," the union would be better able to bargain effectively with management for improved wages and benefits. Finally, consolidating its control within the union enabled the Reuther Caucus to eliminate Communist influence, and thus the threat of Stalinism,

within the union and indeed the CIO as a whole (Howe and Widick 1949; Reuther 1976).

As Howe and Widick (1949) predicted as early as 1949, however, the elimination of organized opposition and UAW leaders' influence over UAW conventions and other forums for debate among secondary leaders insulated the International union from rank-and-file pressure.<sup>36</sup> Without effective organized opposition or vehicles for pressuring the leadership, the national UAW in the postwar period proved insensitive to rank-and-file concerns in ways that compounded the erosion of commitment associated with the ineffectiveness of the grievance procedure. In addition, the purge of political radicals that overlapped the post-1947 elimination of opposition narrowed the union's ideological range.

After the 1947 convention, the Reuther caucus's consolidation of power began with the dismissal of more than 100 UAW staff members (in a total of less than 500) and their replacement with Reuther supporters (Steiber 1962, 14; Marquart 1975, 153; Serrin 1973, 141). Over the next decade, union leaders "brought to bear the full power

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<sup>36</sup> In the context of his disagreement with UAW strategy in the 1980s, Walter's brother Victor has come to a similar conclusion: "I am proud of Walter's achievements and the accomplishments of what is called the Reuther years. But I am seeing one mistake we made. The Administration Caucus, which was used as a legitimate weapon in our battle with the communists, was maintained many years after that battle was over. Essentially, a great deal of authority became concentrated at the top. The vehicle of the Administration Caucus is now used to prevent open debate in the union" (quoted in Mann 1987, 89).

of the international union...against hard core opposition locals and their leaders" (Steiber 1961, 131-132). Staff resources and, in some cases, receivership were employed to unseat powerful local opponents of the union leadership.<sup>37</sup>

International staff positions, the carrot in this sophisticated carrot and stick approach, served to bring former militants into the Reuther fold. According to Pat Quinn, former militant president at Dodge Main and a member of an anti-Reuther slate,

When my opposition...defeated me the last time I ran for president, Walter Reuther called me to his office...Walter offered me a job in the International; he knew damn well that if I went back in the shop, I'd stir things up...I'll be frank, we got bought off..."<sup>38</sup>

UAW membership rose by 21 percent between 1949 and 1960, while the number of UAW staff in Detroit and in the regions rose by 40 percent (to 660) (Jefferys 1986, 32). Moreover, as international representatives aged, the cost of openly opposing the union administration and risking a return to the shops rose. By 1961, the average age of the staff was 49 and they had been international representatives for 10 1/2 years (Jefferys 1986, 32).

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<sup>37</sup> For examples of locals placed under receivership see Jefferys 1986, 102; Swados 1963; Weir 1967; and Serrin 1973.

<sup>38</sup> Marquart, 1975, p. 132. Jefferys (1986) describes Quinn's role before moving on to the International. He also provides another example of a militant anti-Reuther activist--Dodge Main plant chairman Jimmy Solomon--who later shows up as an international representative cautioning against violations of the contract.

Elections for the union executive board after 1947 illustrate the dominance of the administration caucus in the postwar period. Between 1947 and 1989, only two opposition candidates defeated administration caucus candidates for regional directorships. In 1955, the last serious opposition candidate for one of the union's (then four) vice-presidencies, Carl Stellato of Local 600, lost badly to two administration candidates (Steiber 1962, p. 62). As time went on, growing geographical dispersion of the industry raised a new barrier to mobilizing opposition. As their share of UAW membership shrank, huge Detroit locals like Stellato's Ford Rouge and Quinn's Dodge Main no longer provided a sufficient base for an opposition challenge.

The administration of the union exercised control over internal debate within the union in various ways. For one thing, the beginning of multi-year contracts in 1950 brought to an end the tradition of annual contract renegotiations that "had helped to sustain and channel political debate and union consciousness at the local level" (Lichtenstein 1986a, 126). When collective bargaining and constitutional conventions, the union constitution gave the IEB the right to appoint the members of convention committees. It also banned amendments to committee reports until they were voted down and resubmitted. These two provisions tended "to make (convention) delegates' function one of approving or



disapproving administration policies, rather than determining policy" (Steiber 1962, 25). Control of the chair at conventions also gave the administration the opportunity to answer points from the floor, call on loyal committee members, and avoid effective opposition speakers (Steiber 1962, 25; Marquart 1975, 151).

Other vehicles for communication and debate among secondary leaders and between national and secondary leaders existed within the union: the appointed Administration Caucus Steering Committee; rank-and-file intra-company bargaining councils; and the associated regional sub-council structures that periodically called together workers within the same company and, after 1967, independent supplier firms.<sup>39</sup> Information from these structures often enabled Reuther to head off more widespread dissent by incorporating pieces of opposition platforms. On the other hand, the resources of the International and absence of an organized opposition placed strict limits on rank-and-file ability to reorder leadership priorities. Union direction came from the top of the union down and not the reverse.

Associated with the consolidation of Reuther caucus control, the ideological discourse within the union narrowed considerably. While red-baiting was as much a

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<sup>39</sup> From 1938 to 1958, the UAW also had Skilled Trades Councils. These were abolished, however, at the end of the 1950s after skilled trades workers petitioned the NLRB for the right to form a separate union, the Independent Society of Skilled Trades (IIST) (Babson 1989a, 722-723).

cover for the elimination of opposition as the underlying reason for the post-1947 purge, it did take with it many of the union's political radicals.<sup>40</sup> In the UAW (and even more elsewhere), the McCarthy era led to a "...dissolution of the previous connection of insurgent workers with political intellectuals" that took place in the late 1940s and 1950s (Moody 1988, 51-fwd). Along with this, the character of UAW education programs changed dramatically (Marquart 1975). In the union's early days, young union officers received a broad introduction to labor history, political economy, and critical thinking. Later, they received narrow courses on practical issues like grievance handling plus arguments buttressing current administration bargaining priorities and political positions (see also Rosenberg 1973 and Widick 1964).

The unchallenged position of the Reuther caucus also set in motion a social process which diminished its flexibility and willingness to countenance criticism over time. If members of the International Executive Board or union staff had doubts about union strategy, they could express them inside the Board or Administration Caucus meetings, respectively. Caucus understanding of what "teamwork in the leadership" required forbid board members or staff from taking disagreements further even if internal

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<sup>40</sup> Andrew (1979) describes efforts to bring Ford Local 600 at the mammoth River Rouge complex under administration control. His article illustrates how the suppression of opposition to the leadership and anti-communism became intertwined.

debate left them uneasy about union policy.<sup>41</sup> Over time, the international union thus deprived itself of independent activists who could not conform to this narrow definition of legitimate disagreement; and of staff members who quit because of the internal frustration of conforming to it.

For three decades after 1947, shop floor concerns remained subordinated to the stability of union-company relations and to the UAW International agenda of raising wages and expanding fringe benefits through centralized pattern bargaining. UAW policies, in fact, led management to tighten the reins at many assembly plants where the union remained strong on the shop floor.<sup>42</sup> Such plants found themselves held by the UAW to the industry compensation pattern. At the same time, the international union avoided challenging managerial authority at companies and plants where workers held little power. Faced with financial pressure, the managerial imagination of the 1950s and 1960s perceived only one option in companies with strong unions: to bring managerial control on the shop floor into line with that at GM.

Workers' resistance to management imposition of the GM procedural model on strong shop-floor unions vividly illustrates the limitations of that model for workers.

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<sup>41</sup> According to former west-coast Regional Director, Paul Schrade, "We used to refer to the IEB as 'the club.' The unwritten rule was that we could disagree all we wanted--among ourselves--but we would not take those disagreements outside of 'the club'" (quoted in Mann 1987, 89).

<sup>42</sup> The argument of this paragraph is taken from Lichtenstein 1985.

Here workers had experienced an alternative to the GM model and they defended it militantly. At Chrysler in the 1930s and 1940s, for example, the late adoption of bureaucratic management meant that adamant anti-unionism alternated with concessions to collective action (Jefferys 1986). This pattern had helped root a dense network of shop stewards. Work standards were lower and workers had more autonomy on the job than at GM. Under financial pressure in the late 1950s recession, Chrysler managers attacked the collective traditions in their plants to eliminate the company's comparative disadvantage. Between 1957 and 1959, Chrysler hired industrial engineers from Ford and GM, raised work standards on its production jobs, and eliminated 20,000 jobs (Lichtenstein 1985).

Chrysler workers practiced in the art of shop floor trench warfare vigorously defended established collective traditions (for details, see Jefferys 1986, 104-105). Chrysler's all-strike frequency per 1000 workers rose to 3.52 in 1955-1959 from 1.47 in 1950-1954. The number of work hours lost due to unauthorized stoppages rose to 100 per worker in 1958 (Jefferys 1986, 8-9). As Chrysler workers fought the company's offensive, they got little help from the International. In February 1957, 12 Chrysler plants requested strike authorization. Only one received it. At Dodge Main that year, a rank-and-file caucus won 22 of 35 delegate positions to the international convention, a reflection of worker dissatisfaction with elected union

officials during the attack on their shop stewards' power. Reuther called Edie Fox, a young member of the caucus, to comment on a resolution commending the IEB for "unwavering adherence to the policy of authorizing strikes where collective bargaining has proved futile " (quoted in Jefferys 1986, 134 and UAW CP 1957). Fox attacked the resolution claiming the International leadership had "discouraged" a willing rank-and-file from fighting Chrysler's speed-up. Norman Matthews, Chrysler vice-president, then red-baited Fox and closed a lengthy attack by saying, "I think it is about time the Convention should give us the authority to deal with these people in quick order." Reuther added:

If the people who provoke these kinds of discussions will just think before they do, we would save a lot of time at this Convention. But they are not going to get away with untruths because we are going to answer them.

In 1960-64, after the steward system had been effectively destroyed, the all-strike frequency at Chrysler dropped to 0.26, less than eight percent of its level in the previous five years (Jefferys 1986). At Ford, strike frequency also reportedly fell towards the levels at GM, where firm control had been reasserted right after the war (see the note to table 2-2). The Dodge Main episode brings to center stage the question of what procedural unionism meant more generally for workers on the job and for their commitment to the union. Before embarking on an analytical

reinterpretation of procedural unionism, however, we turn to the history of its introduction in Canada.

D. The Emergence of Canada's Auto Sector Pattern of Development

By the late 1950s, work rules and the grievance procedure, connective bargaining, and wage rules had been introduced to the Canadian as well as the U.S. auto industry. Technology and labor history mitigated against the consolidation of strong shop floor unions in Canada almost as much as the U.S. Canada too lacked a strong tradition of craft control in manufacturing industries. Its plants also adopted most of the automated, mass production technologies that stripped U.S. workers of control on the shop floor in the 1930s and 1940s--although the smaller size of the protected Canadian market may have prolonged the life of smaller-scale, older and more worker-paced and -controlled technologies in Canada. In major assembly plants, in addition, Canadian UAW workers faced the same powerful employers in Canada as in the U.S.--although these corporations had less influence on Canadian than U.S. politics.<sup>43</sup>

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<sup>43</sup> It is also possible that, until the passage of the Auto Pact, management in Canada, as in Britain, was less bureaucratic than that in the U.S. Consistent with this possibility, Kujawa, 1971, reports that the Canadian and U.S. operations of the Big Three remained somewhat separate before the Auto Pact. Ford-Canada, for example, "exercised considerably autonomy in handling its labor relations" (Kujawa 1971, 71). Canadian nationalism may also have facilitated cooperation between Canadian managers, workers and union officials in keeping

While these structural factors, and the powerful example of the U.S. as a model, produced a pattern of development with broadly similar contours in Canada, this pattern took longer to consolidate than in the U.S.<sup>44</sup> After its consolidation in Canada, small but ultimately significant differences remained between U.S. and Canadian shop floor relations, and internal union dynamics. As with industrial union formation in Canada and the U.S. generally, the contrasts between the process and outcome of UAW formation in the two countries stemmed partly from the Canadian government's delayed legislative support for union recognition. This delay discouraged employers from making tactical retreats in efforts to encourage responsible union behavior. The delay also meant that union recognition and security battles established stronger traditions of collective action in Canada as well as a syndicalist faith in the importance of militant union action in political as well as plant-level conflict. Organizing, bargaining and political successes achieved during the extended period of open warfare with employers in Canada tended to be perceived as the result of workers own collective efforts.

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information about the true character of shop floor relations from top-level U.S.-born managers. If Canadian labor relations were less bureaucratic, chapters 3 and 9 suggest, this would have reinforced other Canadian features that helped sustain collective traditions.

44 Except where otherwise noted, the account of the Canadian UAW's formative years in Section C is based on Yates 1988.

The extended life of "voluntarism" in Canadian collective bargaining also meant that Canadian auto workers more often had the support of their institutional leadership when they acted militantly in the war. At the same time, the Canadian government's failure to offer union recognition in exchange for the no-strike pledge led pragmatic Canadian communists to avoid the opposition to wildcat strikes that cost many U.S. communists a rank-and-file base. In the postwar decade, the bonds of solidarity formed during the war between political and more conservative militants helped communists to survive red-baiting after it. The course of domestic labor conflict during World War II in Canada combined with the rank-and-file traditions of the UAW's influential British contingent meant that, within the union, the Reuther Caucus did not consolidate its control of the Canadian Region until the late 1950s. Even when it did, Canada retained strong traditions of rank-of-file influence over union direction that were embodied in the quarterly meetings of its "District Council." Thus, during and after the establishment of the Canadian auto sector pattern of development, internal union politics had less of a dampening influence on rank-and-file collective traditions.

The most pivotal Canadian strike of the 1930s took place at GM-Oshawa in 1937 (Abella 1973, chapter 1). A plant union had been organized at Oshawa in the early 1920s



and gained recognition after a plant-wide walkout in March 1928. The union disintegrated after the TLC insisted on dividing workers into the appropriate craft jurisdictions and then created a rival union because the Oshawa union came under the control of the Communist-led Auto Workers Industrial Union.<sup>45</sup> In the 1937 strike at Oshawa, workers won a wage increase, seniority system, a contract that expired simultaneously with the U.S. contract, and individual local contracts for Windsor and St. Catherine's. The agreement did not formally recognize the UAW.

The events leading up to recognition of a new local at Oshawa in 1937 began when 250 body shop workers in a workforce of 4000 walked out February 19 to protest a speedup. In the ensuing month, an organizer from Detroit organized most of the workforce into the UAW. Each department elected stewards to a union bargaining committee. In a show of strength on May 20, several thousand union members attended a meeting in a local auditorium. The company balked at negotiating with a committee that included representatives of the CIO. It agreed on April 6, however, to negotiate with Charlie Millard, the union Local President, "as a representative of Local 22" (quoted in Abella 1973, p. 12). Millar had been appointed a CIO organizer during the strike,

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<sup>45</sup> Abella 1973, 8. On the AWU in the U.S. and the role of the Communists in it, see Keeran 1980.

At this point, Ontario Prime Minister Mitchell Hepburn stepped in to play a role opposite to that of Michigan governor Frank Murphy during the Flint Sitdown in the U.S.<sup>46</sup> With a settlement favorable to the CIO imminent, Hepburn persuaded GM to again refuse to bargain with Millard. On April 8, the entire workforce walked out. Since the strike remained peaceful, the federal police refused to honor Hepburn's request for assistance. In response, Hepburn established a special provincial police force--nicknamed Hepburn's Hussars or Sons of Mitches. In addition, Hepburn fired his Labor Minister and Attorney General since they were "'not in accord' with his 'policy of fighting against the inroads of the Lewis organization and Communism in general'" (quoted in Abella 1973, 17). Later, informed of GM's readiness to settle, Hepburn wired the vacationing GM President in the Carribean, urging him to suspend negotiations on the grounds that Hepburn had inside information that the strike was about to collapse. In a statement, Hepburn explained his greatest fear: that "...Oshawa is only an attempt by the CIO to pave the way for its real drive against the fundamental wealth of the province and its mine fields" (quoted in Abella 1973, 19).

Seeing that the union and company would settle anyway, Hepburn seized the opportunity when UAW President Homer Martin encouraged the local to sign an autonomous local agreement. For Martin, a quick agreement reduced the

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<sup>46</sup> On Murphy's role, see Fine 1969.

opportunity for his opponents to exploit the strike in the emerging union factional fight. Despite the absence of formal UAW recognition, workers saw themselves as gaining an historic victory over state opposition.

[This] gave the faltering CIO drive the boost it required to make it the threat [Hepburn] and his mine-owner friends had feared. Just as Roosevelt became the 'best organizer' for the CIO in the United States, so, in a negative way, Hepburn became the CIO's most successful organizer north of the border (Abella 1973, 22)

In the auto sector later in 1937, strikes brought first contracts and recognition for local unions at several other plants. Organizing gains halted in a 1938 downturn, however. By this time, internal union disputes had crystallized into two factions: Martin's Progressive Caucus and an opposition Unity Caucus rebelling against what they saw as Martin's erratic actions and autocratic attempts to retain control of the union. Canadian workers' perception that the union's difficulties had been exacerbated by factional politics and the autocratic attempts of the Progressive Caucus to check militancy led them to establish rank-and-file controls on the leadership. On June 25 and 26, 1938, Canadian workers set up a rank-and-file controlled Regional Committee to develop and implement plans for organizing the region. Here and at later meetings, the assembled Canadian secondary leadership demanded a Canadian edition of the union newspaper; an independent union education department; and local control over strikes in Canada.

By 1939, the intervention of the CIO leadership on the Unity side of UAW disputes led Martin to take what remained of the Progressive Caucus into the AFL. The two branches of the union held separate conventions that year. The attendees of the Unity event in Cleveland made up the vast majority of the union and rewrote the union's constitution in a way that would prevent the kind of central domination practiced by Homer Martin (Babson 1989a, 663-666).

According to Reuther caucus member George Merreli:

We were determined,...the CIO group,...that the type of autocratic rule that Homer Martin had was no longer going to be permitted. So we wrote a very tight constitution. In fact, it was so tight that we couldn't live with it. It took us 10 years to loosen it up (interview with the author, 3/19/89).

The checks against leadership domination in the 1939 constitution included a provision for the establishment of rank-and-file elected intra-corporation councils. The 1939 constitution also required regional directors to establish a "District Council" when requested to by "a majority of local unions...within their geographical district."<sup>47</sup>

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<sup>47</sup> The previous clause (Article 9 of the 1937 Constitution) left the jurisdiction of, and initiative for establishing, District Councils up to the IEB. On the other hand, at least on paper, it required Councils to be established in each jurisdiction defined by the IEB rather than making their establishment conditional on requests from local unions.

At the 1944 constitutional convention, a "Section 9" was added to the article (number 31)\* of the Constitution dealing with District Councils): "To dissolve a District Council the Regional Director(s), on the request of three Local Unions within the geographical district, shall call a special meeting of the Council to be held within thirty (30) days of such request, with proper notice of the purpose of the meeting, to vote upon the dissolution of the

Shortly after the Cleveland convention, Canadian unionists used the constitution's District Councils provision to create a Canadian Council in place of the Canadian Regional Committee. The constitutional protection provided to it would make the Council more difficult for the regional leadership to circumvent than the Regional Committee. The Canadian Council was a rank-and-file body to which delegates were elected on a per capita basis. Its charter required the union leadership to report to the delegates about regional union activities and IEB decisions at each bi-monthly meeting. The delegates would then debate the issues raised by the report and make recommendations to the administration. The Canadian District Council had specific per capita membership payments earmarked for it and beyond the control of the union administration.

Canadian unionists now had a forum for input into union decision-making other than UAW International conventions dominated by American delegates. This forum would enable Canadian secondary leaders to help develop positions that responded to the specific pressures they faced. It would thus reinforce the distinct national identity of the Canadian UAW region. It would provide a forum for opposition to the union leadership to express its

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Council. At this meeting the District Council may be dissolved by a vote of a majority of the Local Unions representing a majority of the membership within the geographical district." This change was not controversial and produced no substantive debate at the convention (UAW Proceedings, 1944 CC, 295).

views and mobilize and organize behind those positions. At the same time, while it fostered open debate and sustained a second caucus in the region long after one disappeared in the U.S., the Council proved an effective forum for reunifying workers behind consensus positions that responded to both leadership and rank-and-file concerns.

Only six months after the 1939 Cleveland UAW-CIO convention, Canada entered the second World War. In the U.S., the war gave U.S. union leaders experience with the procedural model of collective bargaining that prevailed after 1946 and planted the seeds of the later separation between leadership and rank-and-file. In Canada, the war solidified the fledgling traditions of rank-and-file democracy and militance evident in the late 1930s. This difference turned on the two governments' legal policies towards unions and, in turn, the unions' positions towards the no-strike pledge. In Canada, which entered the war in 1939, the federal government took responsibility for labor matters in the War Measures Act of that year (Yates 1988, 88). The government extended the Industrial Disputes Investigation Act (IDIA) of 1907 to cover workers in 85 percent of Canadian industry. The IDIA provided for compulsory conciliation and a mandatory cooling off period but not for union recognition or mandatory collective bargaining.

Government hostility to unions, and membership anger at the regional leadership for following International union

policy and failing to support an October 1940 wildcat at GM-Oshawa, led Canadian leaders to begin more actively supporting rank-and-file actions (Yates 1988, 90). After 24 Chrysler-Windsor workers were charged for refusing to stop picketing in front of a war production plant, Canadian UAW leaders threw their support to the local union. Canadian Regional Director George Burt was arrested on the Chrysler picket line and convicted along with 46 others under the Defence of Canada regulations.

Over the course of the next three years, the union combined support for illegal strikes with mobilization of UAW locals to obtain changes in labor legislation and to protest the government's wage controls program. Midway through this period, the U.S. entered the war and the CIO and UAW adopted the no-strike pledge as part of their "Victory through Equality of Sacrifice" program. Canadian autoworkers and the rest of the Canadian Congress of Labor (CCL) continued to argue, however, that as long as collective bargaining remained voluntary, labor needed the strike weapon to force employers to the negotiating table (Bruce 1988, 267).

As strike momentum built, the dynamics of public opinion also cut differently in Canada than in the U.S. In the U.S., wildcat strikes in violation of the no-strike pledge are thought to have been an important reason for the election of the conservative 1946 Congress and the subsequent passage of the Taft-Hartley Act. When the

leadership of the UAW and the CIO supported the no-strike pledge, they lost the opportunity to argue that strikes were a reaction to employers' efforts to take advantage of workers. In Canada, government and employer opposition to labor shifted public opinion in favor of unions and the farmer-labor coalition party, the Canadian Commonwealth Federation (CCF). Critical in this process was a long winter strike at the Kirkland Lake gold mine in northern Ontario (McDowell 1979). While the union there lost its effort to gain recognition, the episode strengthened the solidarity of the labor movement and brought them public sympathy. Strikes were seen as the fault of employers, not workers.

Labor movement mobilization produced Canada's massive 1943 strike wave. Industrial unrest and growing support for the CCF, in turn, led Hepburn to reverse his anti-labor policy. The Ontario Collective Bargaining Act passed in April 1943 (McDowell 1979, 190). By the end of 1943--i.e. before the passage of federal legislation supporting collective bargaining--UAW membership in Canada had risen to 45,000 (Yates 1988, 104). As well as GM workers, this included Ford Windsor Local 200, which Henry Ford had recognized (but not granted union security) shortly after the U.S. UAW won a representation campaign and



institutional security at the Ford Rouge in Dearborn, Michigan.<sup>48</sup>

The resounding provincial defeat of the incumbent Liberals in August 1943, the rise of the CCF to the official opposition in Ontario, and the subsequent Liberal loss of four federal by-elections to the CCF, led Prime Minister McKenzie King to proclaim Federal PC1003 in February 1944. While it established a procedure for certification of unions with majority support, it also continued the Canadian tradition of compulsory conciliation before a strike. It also prohibited strikes during an agreement. Despite these limitations:

In some contrast with the U.S., legislative protection for trade unions was extracted from a reluctant state through a combination of strike activity and the growth of a socialist party (Huxley et al. 1986, 124).

At the same time, since the legislation was only an Order-in-Council effective until the end of the war, it had only a limited effect on trade union opposition to the government and the level of industrial unrest. Strike activity continued to focus particularly on the issue of union security (McDowell 1979, 195).

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<sup>48</sup> In the U.S., the UAW gained the union shop at Ford Rouge in 1941, after a walkout, nine-day strike by 91,000 workers and an NLRB-supervised certification election (Lichtenstein 1986b, 242; Gersuny 1973). The contract covered workers at all Ford factories in the U.S., even in distant assembly plants with little union presence in 1941. The contract provided for the union shop and dues checkoff (Lichtenstein 1986b, 243).

The interplay of government labor policy, Communist Party and CCF policies helped sustain UAW communists' ties with other trade union militants as well as developing a syndicalist tendency within the union. Most UAW communist activists in Canada did not follow party policy and support the no-strike pledge because the absence of mandatory collective bargaining and union security made such a response impractical. At the same time, CP policy de-emphasized party politics as part of the effort to construct a popular front against fascism. This, too, helped communist activists sustain support among non-political militants who feared that the CCF's more partisan activism would bring back the internecine conflict that had almost destroyed the union in the late 1930s (Yates 1988, 110).

While it won a contract at Ford in 1941, the Canadian union did not gain any form of union security until the 99-day Ford strike which began on September 12, 1945. In that strike, the UAW demanded the union shop and dues check-off. In early November, when the local, provincial and federal police threatened to break through the picket-lines, the union and its supporters barricaded the plant with 2000 vehicles (Roberts and Bullen 1984, 118). Intervention by Liberal Minister of Health Paul Martin, a UAW ally, led to a tentative settlement on November 27. After being promised a sympathetic arbitrator, UAW members approved the agreement. In the settlement reached on January 29, 1946,

the union lost its bid for a union shop. It gained the "Rand formula", named after arbitrator Justice Ivan Rand, which provided for automatic dues check-off from all employees covered by the agreement, whether union members or not (Yates 1988, 134-139). At the same time, the agreement signed on February 21, 1946, committed the union not to cause or permit its members to participate in a sit-down, stay-in, slowdown or strike until the grievance procedure was exhausted and collective action was authorized by the International union (Yates 1988, 154). By 1950, 90 percent of Canadian unions had won the Rand formula (Roberts and Bullen 1984, 119).

At the end of the Ford strike, a number of important differences between the U.S. and Canadian UAW stood out. While the auto industry in the two countries had war-time strike waves of similar magnitudes, local and regional UAW leaders in Canada more often supported this militancy than their U.S. counterparts. War-time and recognition strike actions probably had the active support of larger fractions of the rank-and-file. Canadian UAW activists also gained more conviction in the importance of political mobilization because of its role in achieving Canada's belated versions of the Wagner Act. The Canadian experience of the Homer Martin period had produced a stronger institutional constraint on union centralization in the form of the District Council. In addition, the radical left retained a stronger shop floor base in Canada than in the U.S.

Canada's status as a separate country made it possible for the Canadian region to practice more "irresponsible unionism" without provoking the major automakers to call off the whole postwar compromise. These differences explain why it took a decade longer to stabilize the postwar auto pattern of development in Canada after the war than it did in the U.S.

One critical aspect of the slow consolidation of the postwar regulatory structure was the Reuther Caucus's failure to establish as dominant a position within the union in Canada. At the 1947 convention, George Burt defeated the Reuther Caucus candidate by about 140 to 131 votes. Burt was running as the candidate of what Yates (1988, 161) calls the "Left Caucus"--"a loose coalition of Communists, left-wing CCFers, nationalists and other militant trade unionists." He was one of only four non-Reuther caucus candidates to win a post on the UAW IEB and one of only two to retain his position over the whole term.

While he joined the Reuther caucus soon after the 1947 convention as a matter of political survival, Burt owed his position to, and remained somewhat dependent on the Left caucus. He thus helped it to avoid marginalization. For example, when in January 1948 the International union refused to reappoint five members of the Left caucus to the Regional staff, ostensibly for austerity reasons, Burt used a nationalist appeal against "international interference"

in Canadian affairs to rally resistance to the firings. Ultimately, three of them were rescinded in a compromise that also saw the appointment of two Reuther supporters. One of the three reappointed, Paul Siren, would provide the Left with a critical source of support within the Regional office for the next decade.

The presence of an organized opposition with the potential power to oust him put Burt in the same position as the leaders of large locals in the U.S. such as Carl Stelluto of Ford Rouge Local 500. To stay in office, Burt had to cater to the concerns of the left even as he tried to mollify the Reuther Administration in Detroit. International staff positions in the U.S., moreover, could not be used to bring Canadian opposition leaders into the Reuther caucus. The Canadian Director himself had only a skeletal staff and thus limited patronage at his disposal.

Two other postwar incidents demonstrated the continuing influence of the left in the Canadian UAW. In the first, after Windsor Local 240 drafted a statement similar to the Taft-Hartley affidavit, which barred communists from holding union office, the District Council passed a resolution instructing the local to reconsider its action (Yates 1988, 165). In the second, when the CIO kicked out the UE in the U.S. for being communist-influenced, the UAW in Canada passed a resolution supporting the action. In Canada, after a Left Caucus challenge to a District Council vote taking the same

position, a second vote committed the Canadian UAW to a "hands-off policy" (Yates 1988, 174).

The Reuther caucus did gain control over the education and communication departments within Canada shortly after the war. The COLA and AIF clauses negotiated in the U.S. also made their way into Canadian contracts in 1948 and 1950, respectively (Yates 1988, 174). Militant traditions, the influence of the left and the existence of the District Council nonetheless helped sustain support for wildcats at the regional level in Canada. At Oshawa in 1950, after a walkout to protest speedup and the firing of three stewards and a committeeman, the District Council donated \$1000 to the Local 222 strike fund. While the International union negotiated a settlement in which the union repudiated wildcats in exchange for a reduction of the firings to suspensions, Burt assured the next District Council meeting that the union would support strikes in the event of speedups (Yates 1988, 176).

The aftermath of a series of 34 wildcats in 1951 at Ford-Windsor once more illustrated the subtle difference in the U.S. and Canadian power balance between the International union and local militants. The wildcats culminated in a 12,000 worker walkout which led the company to fire 26 workers. Reuther blamed the walkout on a handful of communists and promised Ford that the International would bring it to an end. After a vote by the Ford membership, workers returned to the job leaving

the fate of the 26 workers up to an arbitrator. After a battle of resolutions put forward by the Administration and Left Caucuses, the District Council condemned the leadership of the stoppages but requested that the "IEB of our union endorse and support strike actions found necessary by our locals even though they may be termed 'illegal' under this anti-labor legislation" (Yates 1988, 204). Burt then unofficially supported March 1952 wildcats at Chrysler and Fruehauf Trailer.

In general, U.S. UAW leaders seemed to take the commitment not to strike without first exhausting the grievance procedure literally. Canadian leaders appeared readier to support strikes that broke the letter of the contract (and law) if they perceived them to be a response to management provocation. Among Canadian workers, legal prohibitions on mid-contract strikes may have helped sustain UAW unity by diverting criticism away from regional leaders to the government. Strike prohibitions--like impositions of wage controls in the 1970s--may also have sustained Canadian rank-and-file awareness of the importance of political action to the protection of wages and working conditions.

The tug-of-war between the Regional Administration and local militants evident in early 1950s wildcats continued during the establishment of company-level national agreements in Canada. While master contracts would take wages, benefits, and contractual work rule provisions out

of competition, they would also decrease local union autonomy. Thus, in 1953, while the rest of the GM locals in Canada accepted GM's proposed master contract, communist and nationalist militants in the oddly-named Oshawa "Democratic Right Wing Caucus"--more commonly known as the "Young Turks"--opposed the master agreement. Although Oshawa managed to stay out of the national contract, it ended up with lower wages than the rest of the GM system in Canada. Moreover, the Young Turks found themselves isolated in opposition to master contracts. Union militants at Ford-Windsor supported the regional leadership's efforts to obtain a master contract because of their concerns about being undercut by a new Ford plant in Oakville. In the end, the International outmaneuvered the Young Turks. The UAW leadership first excluded Local 222 from critical corporate-union negotiations on the grounds that they wanted to bargain on their own. When, after a 148-day strike, the union won the GAW (now called "Supplementary Unemployment Benefits" (SUB)) as well as better health care and higher wages, the Oshawa local as well as four others voted overwhelmingly in favor of the contract.

Thus by 1955, the main elements of the postwar structure had been imported into Canada: wage formulas, connective bargaining, and work rules and the grievance procedure. Even the Left Caucus disappeared from the Canadian Region as an organized force after the 1957



negotiations. In these negotiations, the Left failed to make responding to management's recession-induced shop floor offensive a central priority. After those negotiations, the Administration moved against the opposition caucus in several ways. To limit the appeal of nationalist programs offered by the Left, Burt advised Reuther to give Canada control over its own Citizenship Funds and a "free hand in bargaining submissions to the corporation" (Yates 1988, 271). He also told Reuther to support a nationalist demand that corporations manufacture an all-Canadian car. The Administration then turned its attention to local elections. Reuther spoke at a membership meeting before Oshawa Local 222 elections. Young Turk Cliff Pilkey and communist activist Bill Rutherford both lost. Pilkey lost a challenge against Burt for Canadian regional director at the Constitutional convention later that year.

No longer dependent on the Left Caucus for support, Burt then ordered staff assistant Paul Siren to "organize opposition and purge local unions of officers unfavorable to the union administration" (Yates 1988, 273). Siren resigned in protest. Before the resignation became effective, a former Left Caucus member in local 222 told the UAW Executive Board of strike strategy meetings in 1955 between the UAW Left Caucus and the communist party. Hearing this, the International union executive appointed a committee composed of senior UAW officials to hear charges

that Siren and the GM negotiating committee--including Pilkey, Rutherford, and Gordie Lambert--had consorted with the Communist Party during 1955-56 negotiations. The trial committee ruled in favor of Siren's dismissal but exonerated the GM committee.

For a dozen years after the elimination of the Left Caucus in the Canadian UAW, militants followed the U.S. pattern of unsuccessfully attempting in tri-annual bargaining to reorient UAW priorities towards workers' daily concerns. But while organized opposition disappeared, the preconditions for its reemergence did not. Lambert, an officer of GM local 199 in St. Catherine's, and Charlie Brooks, left-wing president of Chrysler Local 144 in Windsor, retained their elected plant-level positions. The District Council, where individual spokesmen like these could articulate perspectives different from the leadership remained in place. The fact that a loosely-organized opposition had only recently been defeated also meant that the regional administration had to be wary not to hand its opposition an issue around which it could remobilize.

While it is hard to be sure in the absence of additional case studies and company data on strikes in Canada, union policy and the late 1950s recession probably did not weaken collective traditions as much as they did in the United States. Instead, a more thorough attempt to rationalize production and suppress large-scale collective action probably took place at some Canadian plants only in

the mid-1960s, around the passage of the Auto Pact.<sup>49</sup> In the 1960s, corporate reorganization prompted by the Pact curtailed the independence of Canadian labor relations managers at all of the Big Three (Kujiwa 1971); and probably reinforced efforts to contain informal negotiation and collective action on the shop floor. By then, however, employment trends and external political conditions in Canada were less conducive to the destruction of shop floor union power than they had been in the U.S. in the late 1950s. Consistent with the claim that Canadian locals sustained their collective traditions, at Dodge Main's sister plant in Windsor, Brooks remained president until his death in 1977. Indicative of continuing support for him on the shop floor, workers held a 20-minute work stoppage in Brooks' memory after he died.<sup>50</sup> Data on large-scale stoppages in Canada and the U.S. offer some support for the argument that collective traditions remained more intact in Canada (see figure 2.2 and tables 2-3 to 2-5).

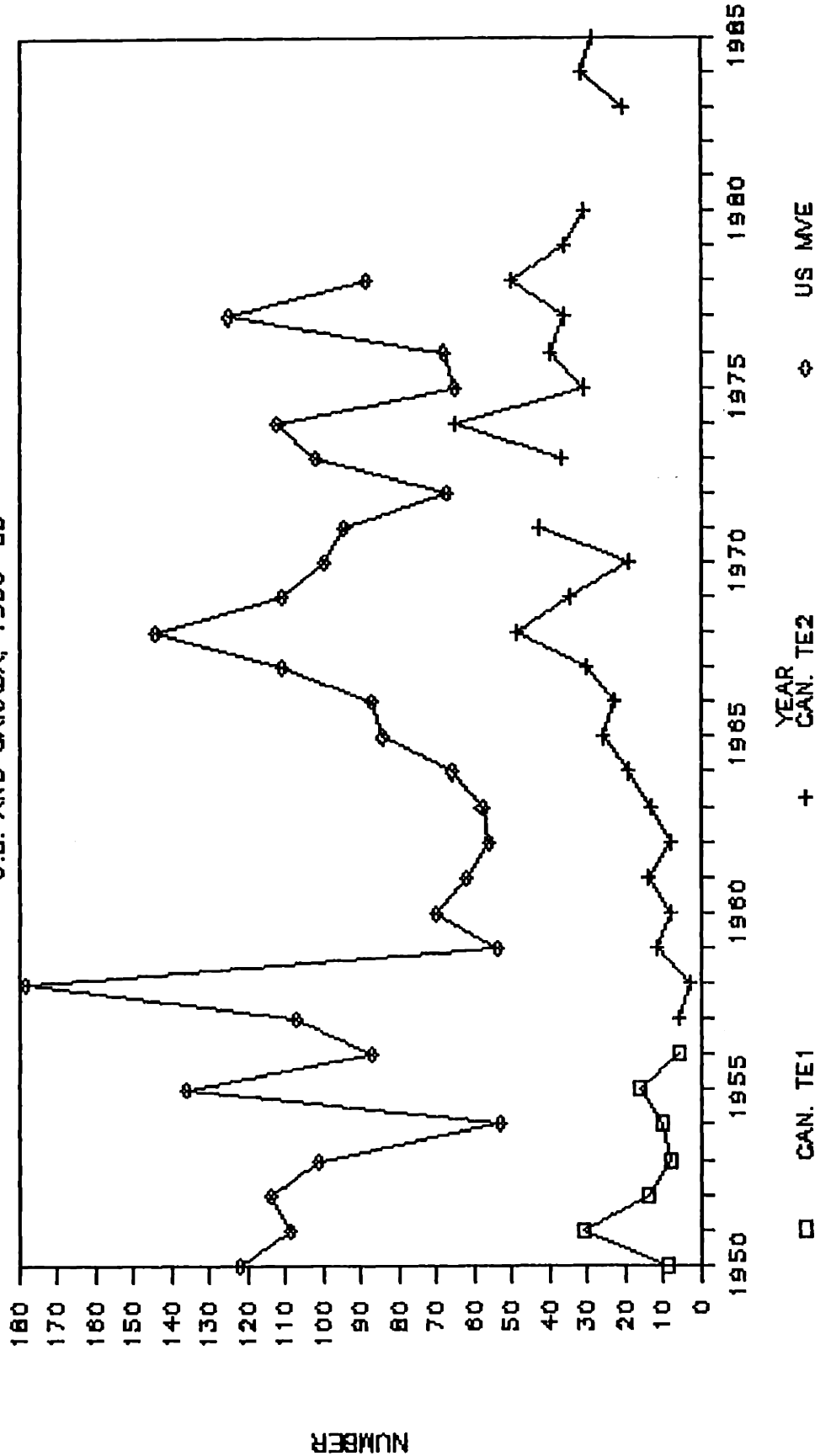
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<sup>49</sup> For one case consistent with this, see Wells 1986b analysis of labor relations at a Ford plant.

<sup>50</sup> Kujiwa (1971, 56) reports that Chrysler-Canada established a grievance procedure similar to that in the U.S. only in 1967. Company and union agreed to a "substantially different" procedure in the 1965 contract. On the other hand, Kujiwa (1971, 58) wrote that "[Chrysler's] Canadian personnel director reported that there have been no recent wildcat strikes of any appreciable duration."

FIG. 2-2: STRIKES IN THE TRANSPORT IND.

U.S. AND CANADA, 1950-85



KEY: TE - Transport Equipment; MVE - Motor Vehicles and Equipment. Note: Break in Canadian series between 1956 and 1957 indicates a change in the method by which the number was computed (see table 2.3, note 4). Source: table 2.3.

TABLE 2.3

## WORK STOPPAGES IN THE U.S. AND CANADIAN TRANSPORT INDUSTRIES

| UNITED STATES--Motor Vehicles and Equipment |                     |                          |                        |                        |                           | CANADA--Transportation Equipment |        |                          |                        |
|---|---------------------|--------------------------|------------------------|------------------------|---------------------------|----------------------------------|--------|--------------------------|------------------------|
| Year  | Number of Stoppages | Workers Involved (1000s) | Pct. of Total Employed | Work-Days Lost (1000s) | Pct. of Working Time Lost | Big Three Contract Strike?       | Number | Workers Involved (1000s) | Work-Days Lost (1000s) |
| 1927  | 2                   | 0.2                      |                        | 1.91                   |                           |                                  |        |                          |                        |
| 1928  | 2                   | 0.3                      |                        | 11.4                   |                           |                                  |        |                          |                        |
| 1929  | 13                  | 3.1                      | 0.6                    | 22.2                   | 0.02                      |                                  |        |                          |                        |
| 1930  | 4                   | 5.5                      | 1.4                    | 48.1                   | 0.05                      |                                  |        |                          |                        |
| 1931  | 2                   | 2.0                      | 0.6                    | 22.2                   | 0.03                      |                                  |        |                          |                        |
| 1932  | 1                   | 0.1                      | 0.0                    | 0.09                   | 0.00                      |                                  |        |                          |                        |
| 1933  | 21                  | 34                       | 11                     | 432                    | 0.6                       |                                  |        |                          |                        |
| 1934  | 24                  | 34                       | 8                      | 377                    | 0.3                       |                                  |        |                          |                        |
| 1935  | 34                  | 32                       | 7                      | 336                    | 0.3                       |                                  |        |                          |                        |
| 1936  | 36                  | 41                       | 8                      | 390                    | 0.3                       |                                  |        |                          |                        |
| 1937  | 127                 | 332                      | 56                     | 3830                   | 2.6                       |                                  |        |                          |                        |
| 1938  | 39                  | 80                       | 22                     | 288                    | 0.3                       |                                  |        |                          |                        |
| 1939  | 44                  | 129                      | 28                     | 2540                   | 2.2                       |                                  |        |                          |                        |
| 1940  | 29                  | 26                       | 5                      | 104                    | 0.1                       |                                  |        |                          |                        |
| 1941  | 77                  | 251                      | 39                     | 1230                   | 0.8                       |                                  |        |                          |                        |
| 1942  | 50                  | 43                       | 7                      | 64.4                   | 0.0                       |                                  |        |                          |                        |
| 1943  | 153                 | 186                      | 25                     | 441                    | 0.2                       |                                  |        |                          |                        |
| 1944  | 228                 | 389                      | 50                     | 1360                   | 0.7                       |                                  |        |                          |                        |
| 1945  | 184                 | 474                      | 72                     | 7310                   | 4.5                       |                                  |        |                          |                        |
| 1946  | 132                 | 163                      | 25                     | 15000                  | 9.2                       |                                  |        |                          |                        |
| 1947  | 67                  | 96                       | 12                     | 466                    | 0.2                       |                                  |        |                          |                        |
| 1948  | 78                  | 248                      | 32                     | 1920                   | 1.0                       |                                  |        |                          |                        |
| 1949  | 63                  | 206                      | 27                     | 1570                   | 0.8                       |                                  |        |                          |                        |
| 1950  | 122                 | 316                      | 39                     | 8130                   | 3.9                       | x                                | 9      | 29                       | 29                     |
| 1951  | 109                 | 143                      | 17                     | 883                    | 0.4                       |                                  | 31     | 31                       | 183                    |
| 1952  | 114                 | 102                      | 13                     | 684                    | 0.3                       |                                  | 14     | 16                       | 189                    |
| 1953  | 101                 | 203                      | 22                     | 781                    | 0.3                       |                                  | 8      | 3                        | 24                     |
| 1954  | 53                  | 81                       | 11                     | 330                    | 0.2                       |                                  | 10     | 10                       | 457                    |
| 1955  | 136                 | 360                      | 40                     | 1210                   | 0.5                       | x                                | 16     | 33                       | 1721                   |
| 1956  | 87                  | 74                       | 9                      | 495                    | 0.3                       |                                  | 6      | 5                        | 17                     |
| 1957  | 107                 | 127                      | 17                     | 860                    | 0.4                       |                                  | 6      | 6                        | 22                     |
| 1958  | 178                 | 506                      | 83                     | 3870                   | 2.5                       | x                                | 3      | 3                        | 87                     |
| 1959  | 54                  | 32                       | 5                      | 367                    | 0.2                       |                                  | 12     | 8                        | 52                     |
| 1960  | 70                  | 82                       | 11                     | 487                    | 0.3                       |                                  | 8      | 2                        | 18                     |
| 1961  | 62                  | 272                      | 43                     | 2240                   | 1.4                       | x                                | 14     | 23                       | 174                    |
| 1962  | 56                  | 45                       | 7                      | 650                    | 0.3                       |                                  | 8      | 7                        | 144                    |
| 1963  | 58                  | 54                       | 7                      | 523                    | 0.3                       |                                  | 13     | 12                       | 30                     |
| 1964  | 66                  | 344                      | 46                     | 5920                   | 3.1                       | x                                | 19     | 36                       | 459                    |
| 1965  | 84                  | 71                       | 8                      | 868                    | 0.4                       |                                  | 26     | 39                       | 543                    |
| 1966  | 87                  | 80                       | 9                      | 660                    | 0.3                       |                                  | 23     | 23                       | 168                    |
| 1967  | 111                 | 286                      | 35                     | 4810                   | 2.4                       | x                                | 30     | 16                       | 228                    |
| 1968  | 144                 | 167                      | 19                     | 1625                   | 0.7                       |                                  | 49     | 77                       | 1406                   |
| 1969  | 111                 | 134                      | 15                     | 2128                   | 0.9                       |                                  | 35     | 16                       | 146                    |
| 1970  | 100                 | 296                      | 37                     | 12854                  | 6.3                       | x                                | 19     | 32                       | 1849                   |
| 1971  | 95                  | 71                       | 8                      | 1764                   | 0.8                       |                                  | 43     | 46                       | 618                    |
| 1972  | 67                  | 91                       | 11                     | 1229                   | 0.6                       |                                  |        | 0                        | 0                      |
| 1973  | 102                 | 183                      | 19                     | 1078                   | 0.5                       | x                                | 37     | 42                       | 677                    |
| 1974  | 112                 | 127                      | 14                     | 2332                   | 1.0                       |                                  | 65     | 41                       | 1095                   |
| 1975  | 65                  | 19                       | 2                      | 438                    | 0.2                       |                                  | 31     | 17                       | 456                    |
| 1976  | 68                  | 200                      | 24                     | 3247                   | 1.5                       | x                                | 40     | 62                       | 393                    |
| 1977  | 125                 | 95                       | 11                     | 951                    | 0.4                       |                                  | 36     | 26                       | 291                    |
| 1978  | 89                  | 48                       | 5                      | 893                    | 0.4                       |                                  | 50     | 28                       | 546                    |
| 1979  |                     |                          |                        |                        |                           |                                  | 36     | 48                       | 353                    |
| 1980  |                     |                          |                        |                        |                           |                                  | 31     | 12                       | 685                    |
| 1981  |                     |                          |                        |                        |                           |                                  |        |                          |                        |
| 1982  |                     |                          |                        |                        |                           |                                  |        |                          |                        |
| 1983  |                     |                          |                        |                        |                           |                                  | 21     | 67                       | 231                    |
| 1984  |                     |                          |                        |                        |                           |                                  | 32     | 47                       | 538                    |
| 1985  |                     |                          |                        |                        |                           |                                  | 29     | 20                       | 373                    |

## NOTES FOR TABLE 2-3:

1. Sources: Strikes and Lockouts in Canada; USDOL 1959 (BLS Report 148) and USDOL 1979 (BLS Report 574). U.S. data on work stoppages involving less than 1000 workers has not been collected since 1980.
2. Canadian statistics include strikes lasting at least half a day and accounting for at least 10 person-days in total. U.S. figures include stoppages lasting for a full shift or day and involving six workers or more.
3. The figure for the number of work stoppages in Canada is the number beginning during that year.
4. Before 1957, Canada used a different classification system for its work stoppages. A 1950-56 series for transport equipment in Canada was constructed by the author by adding the number of stoppages in "shipbuilding" to the number of stoppages described in the individual list that appeared to be in what was called the transportation sector starting in 1957. Strikes in the 1950-56 period have been assigned to the year in which they started.
5. In both countries, workers are counted more than once if involved in more than one stoppage.
6. For 1950 to 1978, USDOL 1959 (BLS Report 574) contains an estimate of the percent of employed workers involved in stoppages in each year. For the period 1939-49, an estimate of the percentage of employed workers involved in strikes was derived by dividing the number of workers involved in strikes into total employment in SIC 371 as reported in USDOL 1985 (BLS Bulletin 1312-12). For 1929-38, since only production worker employment is reported in USDOL 1985, the percent of workers involved in strikes was estimated as 100 times the number involved in strikes divided by 1.21 times the number of production workers in SIC 371 (1.21 is the ratio of total to production worker employment from 1939-49 reported in USDOL 1985).
7. For 1950 to 1978, USDOL 1959 contains an estimate of the percent of working time lost due to work stoppages. For the period 1929-1950, the percent of working time lost was estimated by using the figure for industry employment implicit in USDOL 1959' estimate of the percent of the industry workforce involved in stoppages; and by assuming that each employee worked a 250-day year.

TABLE 2.4

**NUMBER OF STRIKES IN THE U.S. AND  
CANADIAN TRANSPORT SECTORS:  
FIVE-YEAR AVERAGES**

|         | U.S. Motor<br>Vehicle and<br>Equipment:<br>SIC 371 | Canadian<br>Transport<br>Equipment<br>Sector |
|---------|--|--|
| 1950-54 | 100  | 14   |
| 1955-59 | 112  | 9  |
| 1960-64 | 62   | 12   |
| 1965-69 | 107  | 33   |
| 1970-74 | 95   | 41   |
| 1975-79 | 87   | 39   |

Source: Derived from Table 2-3.

**TABLE 2.5**  
**BIG THREE WORK STOPPAGES REPORTED IN CANADIAN**  
**NATIONAL WORK STOPPAGE DATA: FIVE-YEAR AVERAGES**

|         | Mid-Contract Strikes |                                    | Contract Strikes  |                                    |
|---------|----------------------|------------------------------------|-------------------|------------------------------------|
|         | Annual<br>Average    | Annual<br>Average/<br>1000 Workers | Annual<br>Average | Annual<br>Average/<br>1000 Workers |
| 1951-55 | 6.8                  | 0.23                               | 1.5               | 0.02                               |
| 1956-60 | 1.4                  | 0.05                               | 1                 | 0.03                               |
| 1961-65 | 1.4                  | 0.04                               | 0.8               | 0.03                               |
| 1966-70 | 3.6                  | 0.07                               | 1.4               | 0.03                               |
| 1971-75 | 1.6                  | 0.03                               | 1                 | 0.02                               |
| 1976-78 | 2.5                  | 0.04                               | 0.5               | 0.01                               |

**NOTES:**

1. Compiled from lists of individual stoppages report in Strikes and Lockouts in Canada, various years.
2. From 1957 forward, Strikes and Lockouts in Canada reports the name of the company at which each work stoppage took place. For 1950-56, the author has identified Big Three work stoppages by the number of workers involved and/or the location of and description of the plant where stoppages took place. The drop-off in the average number of stoppages after the first half of the 1950s is driven by the 24 stoppages reported at a "motor vehicle factory" in "Windsor, Ontario" which, based on Yates 1988, can safely be assumed to be Ford-Windsor. Incorrect omissions or inclusions of other individual stoppages in the 1950-55 would not change the qualitative character of the result in the table.
3. Estimates of stoppages per 1000 workers are based on the author's estimates of employment at the Big Three in Canada.
4. Since the numbers here are based on national, government data, they cannot be compared meaningfully to the company data reported in table 2.2.

### E. Labor and Politics in the Early Postwar Period

In politics as in industrial relations, the important difference between the U.S. and Canada after World War II lay less in the operation of the postwar regulatory structure than in that structure's less demobilizing impact on Canadian labor. In public policy by the late 1950s, Canadian auto Fordism had no more than what Yates (1988) calls "a social democratic tinge." Attendees of UAW conventions in the 1950s viewed Canadian labor law, today celebrated by U.S. unionists as a progressive model, as inferior to the Wagner Act because of the clause forbidding strikes during the term of a contract. By contrast, UAW Big Three contracts preserved the right to strike over production standards and health and safety. In the 1950s, organizing workers seemed relatively easy in the U.S. As a result, the Canadian law most envied in the U.S. today, through which unions gain automatic recognition by getting 50-60 percent (depending on the province) of the bargaining unit to sign union cards, gained little attention. Automatic recognition arose in Canada more as an accident of history than as a result of the power of labor in politics. It was used in the war years as an efficient and "less disruptive" way to certify unions (Bruce 1988, 376-377, 387 and 398 fwd). While opposed for obvious reasons by individual employers, it was neither a highly contentious issue nor strongly fought by business groups.



While they had little concrete to show for it by the late 1950s, however, labor unions in Canada had gained more capacity to influence politics in the previous 25 years than their counterparts in the U.S. In the U.S., labor's political weakness stemmed in part from its failure to break out of a dependent relationship with the Democratic Party. Flirtation with the idea of establishing an independent Labor Party died by 1948 (Davis 1986). The power of labor and its progressive allies within the Democratic Party was undermined by the anti-labor perspective of Southern Democrats whose political views went unchallenged after the failure of Operation Dixie, labor's coordinated southern organizing effort after the War. In the absence of party discipline, Southern Democrats repeatedly frustrated efforts to pass labor law reform and other pro-union legislation in the postwar period (Bruce 1989; Clark 1989).

In Canada, by contrast, a third, left-wing party, the Canadian Commonwealth Federation had been established.<sup>51</sup> The fate of the CCF stemmed partly from the course of domestic politics during World War II, particularly labor's 1943 mobilization in plant and politics. Several institutional features of Canadian democracy also helped Canadian unions and their allies to establish a third party

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<sup>51</sup> The CCF was renamed the New Democratic Party (NDP) in 1961 after a reorganization which increased the party's financial and institutional links to labor.

and use it to influence policy.<sup>52</sup> Local election of federal and provincial MP's made it easier for a minority party to gain a foothold than in the U.S., with its election of Senators, Governors and the President in state-wide and national, winner-take-all contests. Party discipline also helped the CCF (and other third parties) by limiting the two dominant Canadian parties' capacity to accomodate a wide range of opinions internally. With the posts of Provincial Premier and Prime Minister in Canada's parliamentary system going to whichever party could form a majority government, the CCF/NDP also gained the balance of power in key provinces periodically and once, in the 1960s, federally (Bruce 1989). The power to bring down the government with a no confidence vote, in turn, enabled the CCF/NDP to demand improvements in labor law from the party forming a government. Finally, the delegation of authority over labor law and much other social policy to the provinces enabled progressive provinces where there was a minority government or the CCF/NDP held power to make innovations that then diffused to more conservative parts of the country.

Even when the CCF/NDP didn't gain executive office or the balance of power in the legislature, its presence meant that the major Canadian parties, unlike the Democrats, had to "look to the left" as well as the right (Mahon 1989).

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<sup>52</sup> This and the following paragraph are based primarily on Bruce 1989. For a more extended treatment, see Bruce 1988.

Moreover, the labor vote was "less attached to a single party and more highly mobilized than in the U.S.", and electoral success required winning a substantial fraction of the labor vote (Bruce 1989, 127). To improve their chances in close elections, the major parties periodically incorporated part of the CCF/NDP program or appointed more pro-union officials to key policymaking positions.

Unlike labor and social democratic parties in some European countries, the CCF/NDP was not strong enough, nor its links with labor tight enough, to produce comprehensive active labor market policies, laws undergirding pattern bargaining, or a more autonomous national development strategy that built on the foundation laid by Canada's government-directed war-time growth.<sup>53</sup> Unlike the U.S., the very existence of the CCF/NDP helped sustain labor capacity to influence the political agenda; and with this, labor's faith in the efficacy of political mobilization. In the 1960s and 1970s, the political space labor retained in Canada and the more militant, social democratic character of its unions would help reproduce one another. The same mutual reinforcement would operate with quite different results in the U.S.: here, labor's limited political room for maneuver and the dominance of an AFL or

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<sup>53</sup> Canadian GNP increased by two-thirds between 1939 and 1942 and by 18.6 percent in 1942 alone. GDP in manufacturing grew by 174 percent between 1939 and 1943. On the way post-war economic policy reinforced the dependence of Canadian prosperity on U.S. investment in "branch plants" and on U.S. demand for Canadian staples, see Phillips and Watson 1984.

"business union" orientation within the AFL-CIO progressively narrowed labor's sense of the possible in both bargaining and politics (Lipsig-Mumme 1989).

CHAPTER 3: SHOP FLOOR RELATIONS UNDER PROCEDURAL  
UNIONISM

Understanding the process and possible outcomes of the transformation of labor relations in the U.S. and Canadian auto industries today requires understanding how procedural unionism shaped the shop floor social context in which that transformation is taking place. To aid the development of that understanding, this chapter presents argument number three of chapter 1B: that three qualitatively distinct patterns of shop floor relations coexisted between 1945 and the early 1980s in the North American auto industry. The individualistic, collective and organizational patterns described below differed enormously in their capacity for reproducing commitment to the union and a core of shop floor activists with strong links to elected union officials. The contractual and legal constraints under which the union operated in the U.S. and Canada led to the gradual diffusion of the individualistic pattern in both countries. This pattern included little collective action and, over time, eroded shop floor solidarity and ties to the union.

This chapter begins by characterizing the view of postwar shop floor relations held by the legal and institutional actors that helped consolidate the procedural model in the 1940s and 1950s. It then shows that Katz's (1985) "job control" model preserves the essence of the

earlier legal interpretation. Katz's model thus shares the limitations that the model developed here is intended to overcome.

A. Procedural Unionism: Existing Interpretations

U.S. industrial relations scholars' recent interpretations of procedural unionism share much in common with the model developed by institutional economists, legal theorists, and judges in the immediate postwar era.<sup>54</sup> According to Harry Shulman, Ford/UAW umpire (permanent arbitrator) in the 1940s and 1950s, collective bargaining establishes a system of "self-government" between management and labor. The rules of the contract make up the statute of the plant mini-democracy, erected by the legislature of managers and union representatives (Shulman 1955). These rules reduce the ambiguity surrounding worker and supervisor rights. Detailed job classifications, single rates of pay for specific jobs, and seniority are based "in large part on the desire or need for an objective rule which eliminates judgement and discretion in particular cases" (Shulman 1955, 1006). "The agreement establishes a grievance procedure...for the adjustment of complaints or disputes during its term..." recognizing that the contract "may not have anticipated everything and

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<sup>54</sup> For a critical account of the history, logic, and internal contradictions of this legal interpretation of procedural unionism, which Katherine Stone calls "pluralist", see Stone 1981. The next few pages are based on her analysis.

that...there will be differences of opinion as to the proper application of its standards." "Neutral arbitration," at the highest level of the dispute resolution procedure, represents the judiciary in the self-government of industry. It also precludes the need to resolve mid-contract disagreement through strikes.

Together, these three features create a

...system of self-government...designed to aid management in its quest for efficiency, to assist union leadership in its participation in the enterprise, and to secure justice for the employees (Shulman 1955, 1024).

The autonomous rule of law thus established contemplates that the disputes will be adjusted by the application of reason guided by the light of the contract, rather than by force and power (Shulman 1955, 1007).

This model of collective bargaining and arbitration provided the rationale for three Supreme Court decisions known as the Steelworkers' Trilogy in 1960. Building on the notion of collective bargaining as a system of self-government, the Trilogy confined the judicial role in contract disputes to establishing whether the parties had agreed to arbitrate the question involved. Viewing arbitration, the industrial "judiciary," as a central element of industrial democracy and as an alternative to strikes--or "quid pro quo" for no-strike clauses--they also created a presumption in favor of arbitrability. That is, a no-strike clause would be read as implicit on all issues that the union could take to arbitration but did not

explicitly preserve its right to strike in the contract.

In Stone's words,

The Steelworkers' Trilogy elevated arbitration to a favored position by requiring courts to promote arbitration, without permitting them to scrutinize the outcomes of the dispute...The courts were to support, but not to interfere with, the parties' self-government (Stone, 1529).

Stone argues that this legal perspective, and court refusal to read the NLRA as conferring substantive rights to labor, implicitly assume that collective bargaining operates in a context of power balance between management and labor. On this assumption rests the conclusion that collective bargaining produces an industrial democracy: through their union, workers jointly determine workplace conditions by negotiating the contract. "As in the larger democracy, the conditions of the workplace are said to represent the consent of the governed" (Stone 1981, 1573). This interpretation differs from the legal view that the terms of conventional contracts reflects the relative power of the two sides (Stone 1981, 1574).

In practice, Stone continues, collective bargaining and arbitration, by themselves, guarantee neither equal bargaining power nor "joint sovereignty." Legal principles with which joint determination cannot be reconciled, in fact, prevent unions from achieving that equality. These principles include the doctrine of retained management rights and the mandatory-permissive bargaining distinction which limits the union's ability "to contribute equally to



the most crucial aspects of plant life" (Stone 1981, 1560).

No philosophical justification for arbitration equivalent to Shulman's emerged in Canada. The explicit goal of labor policy there during and after World War II remained the preservation of industrial stability and federal and most provincial law simply prohibited strikes during the term of an agreement. When strikes take place nonetheless, labor boards in Canada have assumed greater authority than the NLRB for the substance of collective agreements. (Since courts in Canada have more limited authority than the U.S. judiciary to review labor board decisions, they have not interfered with this development.) In Canada, then, industrial stability has been pursued in part by balancing restrictions on strikes with an evolving substantive (and increasingly legislatively backed) conception of employee and union rights

Contemporary U.S. industrial relations scholars do not explicitly embrace Shulman's vision of collective bargaining as a system of self-government or the assumption of equal power between labor and management. Indeed, their models of collective bargaining, like that in Dunlop's famous 1958 book, acknowledge the importance of the environmental context--and the relative power of management and labor--on the rules of the contract. In pointing out the value to management of union leadership control over the membership, they also imply that the postwar structure

created a less-than-perfect democracy.<sup>55</sup> Implicitly, maintaining shop floor stability and containing conflict were important functions of "job control unionism."

Despite implicitly acknowledging the existence of conflict and the role of power in resolving disputes, Katz (1985, 38-39) highlights the same features as Shulman in his "job control" model: contractual specification of precise job classifications and the attachment of wages to jobs; the specification of seniority-based bidding rights, shift preference, and other job rights; and a grievance procedure topped by quasi-judicial opinions issued by third party arbitrators.<sup>56</sup>

Kochan and Piore (1984, 179) explain that, under this system,

Industrial democracy is reduced to a particular form of industrial jurisprudence in which work and disciplinary standards are clearly defined and

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<sup>55</sup> Kochan et al. 1986, 36: "As their experience with unions and worker unrest increased, management came to realize that strong unions and union leaders could control their membership and bring stability to industrial relations--albeit for a price. The more management came to see unions as inevitable, the more it saw the advantages of cooperation with union leaders and the stabilization of bargaining relationships." See also Katz 1985, 38.

<sup>56</sup> In abandoning with judicious caveats the assumption that the plant is a mini-democracy created in a context of equal management and labor power, industrial relations researchers unwittingly undermine the justification for a procedural emphasis in the study of shop floor bargaining. If conflict is being contained, if plants operate without the full consent of the governed, then surely it is important to understand how conflict is contained and the consequences of its containment on workers' perceptions of the union.

fairly administered and dipustes over the application of rules and customs are impartially adjudicated.<sup>57</sup>

Even if the word reduced hints at the limitations of the procedural union variant of industrial democracy for workers, this formulation begs many of the same critical questions obscured by Shulman<sup>58</sup>: for example, how are work standards and the level of work effort, even if they are "clearly defined", established in the first place?<sup>59</sup> How are the rules and customs--worker and supervisor rights--determined? What leads to changes in work standards and shop rules and customs? The institutions of procedural unionism may be central "structuring elements of American workshop life" (Piore and Sabel 1984, 113). By themselves, however, they do not give us a full picture of shop floor dynamics in the postwar period. They tell us little about the determination of substantive conditions of employment or about how the emphasis on procedure influenced workplace solidarity and commitment to the union over time. To address these issues requires integrating three aspects

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<sup>57</sup> The same quote appears in Kochan et al. 1986.

<sup>58</sup> While Piore (personal communication) acknowledges the limits of procedural unionism for workers, Kochan et al. (1986) maintain that "Enforcing detailed contracts through the grievance procedure gave U.S. unions a more powerful position at the plant level than any other labor movement." In my view, the evidence on Britain and Canada--and perhaps other countries--contradicts this assessment.

<sup>59</sup> One answer might be "time study." But this, too, begs the question. How do worker and manager actions influence the definition of a reasonable work level given the inherently unscientific aspects of time study?

largely omitted in industrial relations research into our model of shop floor relations. (1) Informal shop floor relations. Despite its omission from Katz's model, small-scale shop floor conflict remained significant in the postwar period.<sup>60</sup> (2) Internal union dynamics, including the role of the UAW International in containing and localizing shop floor conflict. (3) The dynamic consequences of the suppression of collective action. Over time, and in combination with other factors, the UAW's restricted shop floor role eroded rank-and-file solidarity and support for the union.

The argument here does not deny the distinctively legalistic and rule-oriented character of U.S. auto industrial relations. Indeed, it maintains that the vision of a plant-level industrial democracy--despite its descriptive inaccuracy--helped legitimate the grievance system and contain the expression of discontent outside procedural channels.

#### B. A Reinterpretation of Procedural Unionism

In practice, the end of frequent mid-contract strikes did not pave the way for narrow job classifications, work rules, seniority, and the grievance procedure to resolve disputes in a way that all parties accepted "not resentfully, but cordially and willingly" (Shulman 1955,

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<sup>60</sup> Katz's entire 1985 book contains two paragraphs on informal pressure tactics and wildcat strikes (see pages 32 and 41).

1019). When worker and firm interests conflicted sharply and rules proved least able to narrow the range of disagreement--over, for example, work standards--the formal dispute resolution system played a different and less primary role than that described by Kochan and Katz. Workers often filed grievances to put pressure on supervisors rather than to protest a particular violation of contract or custom. The formal grievance might have nothing to do with the core disagreement. Workers also employed a range of other individual and collective pressure tactics to hold work standards in check, protest disciplinary action, establish new rights or defend old ones. When rules or customs protected workers without, in management's view, substantially affecting plant performance--primarily individual job rights--procedural unionism operated more as depicted by Katz and others.<sup>61</sup> Even here, ambiguity in the rules produced periodic shop floor skirmishes over their reinterpretation, especially when fluctuations in unemployment, competitive pressure, or customer demands altered the power balance in the plant.

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<sup>61</sup> Herding's (1972) analysis of the relative use of merit and seniority in promotion raises questions about the number of rules with unambiguous and mutually accepted meanings. Jefferys (1986) argues that Herding exaggerates the failure of work rules to protect workers from discretionary management.

i. A Heuristic Framework

The extent and effectiveness of the pressure tactics employed by workers instead of wildcats varied widely among different workers. Following the "heuristic framework" developed by P.K. Edwards (1986), we will distinguish three qualitatively distinct patterns of shop floor relations that resulted from variations in the extent and degree of shop floor collective action. Edwards argues that interpreting worker actions and management and labor interactions requires recognizing that they do not occur in isolation but reflect the general character of the social relations of production. The most powerful way to differentiate social relations observed in empirical studies of factories, he finds, is according to "workers' approaches and organization." Why different approaches emerge must, of course, then be explained. Edwards breaks observed shop floor relations into four categories, defined along three different dimensions:

...the extent to which workers have a militant or acquiescent orientation to the employer; the degree to which an individual or collective orientation exists; and the extent to which a collective orientation has been translated into a collective organization... 'Militant' does not mean politically left-wing, but refers to the extent to which workers perceive themselves as having interests which are opposed to or are inconsistent with the interests of management, and act accordingly. 'Orientation'...means, not a set of attitudes or beliefs, but an approach which influences behavior within the workplace.

Since a collective organization implies a collective orientation and a collective orientation implies a militant

orientation, the eight possible permutations of these three dimensions reduce to four: three militant patterns of shop floor relations--individualistic, collective and organizational--and non-militant individualism. Non-militant individualism, in which "managerial definitions of the situation...(are) dominant" and workers accept "the centrality of profits and the right of management to manage" (Edwards 1986, 229)--did not play a significant role in the postwar North American auto industry. The rest of this section thus focuses on the three dominant postwar militant patterns: organizational, collective and individualistic.

In an organizational setting, the union exercises control over all aspects of work: job assignments, the work process, discipline, hiring, and the allocation of overtime. In the collective pattern, workers' organizations are "looser and less disciplined than...in the organizational pattern" with shop floor conflict concentrating on the specifics of the effort bargain rather than a broader set of managerial controls concerning staffing levels, job assignments, or the right to apply discipline.<sup>62</sup> In the militant individualistic pattern, workers no longer act collectively to influence the effort

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<sup>62</sup> In the illustrative collective example Edwards (1986, 235) cites, workers actively engaged in effort bargaining and established output ceilings and "fiddles" to increase earnings. "...They had not developed a more organized challenge to managerial power on such issues as manning levels, the allocation of overtime, or the right to apply disciplinary sanctions."

bargain. In individual struggles over effort with managers, or in asserting their right to move freely around the shop or talk to fellow workers, however, workers demonstrate interests distinct from management's goals.

Several points Edwards makes about the organizational and collective patterns bear repeating so that readers do not draw inaccurate inferences. First, the organizational pattern does not imply a strong sense of solidarity among all workers (Edwards 1986, 234). Such patterns often emerge in settings where work groups are cohesive and have considerable leverage, characteristics which also give rise to strong sectional rivalries. Related to this, workers do not always act collectively, even at the work group level, within collective and organizational patterns. Second, worker controls in organizational patterns are imposed on members of the work group as well as on management. Indeed, one of the defining features of an organizational setting is that the work group has more to say about what "members can and cannot do" than does floor management (Edwards 1986, 234). Third, it cannot be assumed that the organizational pattern is necessarily in workers' interest more than other patterns. As Edwards (1986, 226-227) notes, "non-militant" employees of sophisticated firms with autonomous work groups and high pay and benefit levels might be better off than workers with a highly developed collective organization but inferior working conditions.



Under the formal institutions of procedural unionism, the coexistence of these three qualitatively distinct patterns of shop floor relations meant that workers had varying degrees of autonomy, control over the work pace, and influence on other working conditions. Workers under the three patterns also had quite distinct relations with their supervisors and union representatives. In general, individualistic patterns more often emerged among machine-paced workers; collective patterns among self-paced production workers; and organizational patterns among skilled workers.<sup>63</sup> This does not mean, however, that technology and occupational category alone determined patterns of shop floor relations. Indeed, there was a general drift towards the individualistic end of the spectrum among all workers over time. The next section discusses the impact of contractual prohibitions of wildcats on machine-paced, self-paced and skilled workers, and shows why this impact produced a correspondance between these three groups and the individualistic, collective, and organizational patterns, respectively.

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<sup>63</sup> Approximately 25 percent of hourly employees worked on final assembly lines. An additional 15-25 percent worked in machine-paced component assembly or other machine-paced classifications (some as machine monitors rather than repeated performers of short-cycle physical tasks). Self-paced work groups or individuals accounted for about 15 percent of workers. Skilled workers accounted for 15 percent of industry blue-collar workers. Indirect production workers that had no set quota, roving inspectors, repair workers, sweepers, etc., accounted for another 20 percent or so. These rough estimates are based on information in Widick 1976, 7-8; Chinoy 1955, 35; USDOL 1985 (BLS Bulletin 1312-12); and Gersuny 1973.

## ii. Machine-paced Workers

The elimination of large-scale work stoppages as a regular feature of shop-floor dispute resolution had its greatest impact on assembly line and other machine-paced production workers whose role in production granted no easy, more subtle means of exercising comparable leverage. Machine-paced workers were not powerless: they could harass foremen verbally and physically, hide tools or parts, or file large numbers of grievances; they could cut corners to gain more time to relax, let jobs pass by untouched or sabotage their equipment. Occasionally, workers coordinated the application of such tactics, or engaged in mass absenteeism and small, brief work stoppages. Wells (1986a, 334) concludes, based on his study of a Canadian assembly plant, that "in nearly every case, such direct action against a foreman [was] petty in both scale and effect." Confident or persistent assembly line workers might gain a reduction in the elements of their job.<sup>64</sup> But the terms of the contractual bargain made it difficult for the union or rank-and-file activists to generalize resistance beyond the individual or the work

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<sup>64</sup> Zabala (1983) tells of an exceptional case at the GM Van Nuys assembly plant in the early 1970s. Five skilled workers provided second shift workers with 30-minute breaks as many as 3 or 4 times on a shift by welding the chain that pulled the car to the assembly line rails. Watson (1977) also reports that organized sabotage did emerge among assembly workers as they sought to gain reductions in work intensity, to entertain themselves on the job, or to gain more autonomy (or protest their lack of it).

group and to obtain better terms for the workforce as a whole.

The establishment of effort levels best illustrates the limited power of machine-paced workers. Management established the initial work standard unilaterally, typically redefining it with every annual model change. It then gave small amounts of ground in response to usually-sporadic worker resistance. Despite the union, individual workers had to take considerable risks to check the pace of work. If they failed to keep up, they ran the risk of disciplinary suspension or, ultimately, discharge (Widick 1976, 13; Lippert 1978). Workers had to follow management directives while work standards grievances were processed. Even if they gained relief through grievance settlements, management sometimes reorganized jobs and raised the workload again.<sup>65</sup>

There were some ways in which the contract and the union restricted managers' ability to control production and intensify work. Most contracts did not allow managers to increase line speed without at least superficially modifying the technology. The contract also precluded raising standards by adding work to assemblers from another classification such as material handler or janitor. Perhaps most important, the UAW put an end to the crude

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<sup>65</sup> Zabala 1983, 353 describes one example of this and reports that it happened to him twice during his four years at GM-Van Nuys. For reports of this by a Ford local union official, see Lichtenstein 1986a, 134.

intimidation of workers through which managers intensified work in non-union days.<sup>66</sup> For most machine-paced workers, nonetheless, suppression of large-scale collective action in the 1940s and 1950s shifted substantive outcomes in management's favor. When plants with strong shop-floor unions made the volatile transition from steward systems and traditions of "mutuality"--or joint determination of work standards--the level of work effort rose substantially. Workers produced more and had fewer rights on the shop floor because they had little recourse to plant-wide job actions. Struggle followed what Wells calls a pattern of little victories and big defeats. Little victories achieved through sectional or individual pressure tactics let a little steam out of the pressure cooker but larger-scale conflict--at least at the Big Three--almost inevitably ended with management victory and the victimization of militant workers.<sup>67</sup>

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<sup>66</sup> In a study of a Ford engine plant, Gersuny (1973, 45) found that there were only three sustained discharges over the course of four years. He compares this with Sward's (1948, 376) description of a foreman walking down a Ford glass line in early 1941 and firing the first 40 workers he saw wearing union pins. Gersuny's case study also shows that discipline for collective action remained much more severe than for individual action. Shortly after the end of his four-year study, nine workers permanently lost their jobs for their participation in a wildcat strike (Gersuny 1973, 67-78).

<sup>67</sup> Beynon's (1975) description of Ford's Halewood plant near Liverpool indicate that worker traditions and union structure in England gave assembly line workers somewhat greater success in shop floor struggles over the work pace--i.e., despite the technological context, machine-paced assembly workers developed collective/organizational patterns of shop floor relations. According to Beynon (1975, 138-140): "The long-serving stewards and workers at

### iii. Self-paced Production Workers

Off the assembly line, where technology granted individuals or smaller groups of production workers control over the work pace and encouraged work group cohesiveness, management gained less unilateral control over work standards.<sup>68</sup> More frequent and orchestrated slowdowns supplemented other tactics to give workers influence over work effort and other working conditions. In a number of North American cases--International Harvester, Studebaker and Budd--as well as much of Britain, dense steward networks, low supervisory ratios, high ratios of represented "leaders" (or lead hands), and either piece rates or fixed daily output quotas persisted together with more frequent collective action.<sup>69</sup> These features fit

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Halewood insist that plant management [often gradually increased the speed of the line during a shift]...in the early days of the plant...These dodges could be controlled though. They provoked a number of unofficial walkouts on the trim lines. 'The lads said, "Sod you. We're not doing it, we're just not doing it." It worked as good as anything else y'know. We just said no and if they pushed it we went home.' No procedure could sort out issues like these. This was naked aggression being met with violent defiance."

68 Brody 1980, 204-210; Kuhn 1961, 50-57 and the references therein in note 9, 193; Lippert 1983.

69 On Studebaker, see Amberg 1989; on Britain, see Lewchuck 1989; on Budd, see chapter 8. Consistent with the possibility that Canada retained more collective patterns of shop floor relations, Katz and Meltz (1989) found that Canadian assembly plants had fewer supervisors per 100 production workers than U.S. plants in 1979--5.5 compared to 6.5. Katz and Meltz (1989) also report that Canadian assembly plants had 15 relief workers and 18 inspectors plus repair workers compared to 4 and 10, respectively, per 100 production workers in the U.S. These latter statistics possibly indicate Canadian locals' preservation of more

together to produce a fundamentally different system of shop floor regulation than on most assembly lines.

Unable to unilaterally set work standards through machine pacing, management relied on piece rates or quotas to induce greater effort in self-paced production. Piece rate incentives or workers' desire to earn time off by finishing the quota before the end of the shift, in turn, reduced the need for close supervision (and went along with the use of larger numbers of lead hands). After the clampdown on work stoppages, the availability of the slowdown as a tactic also helped sustain work groups' collective confidence and gave them leverage in efforts to defend both expansive definitions of stewards' rights and supervisory approaches sensitive to workers' concerns. In extreme cases, especially in the early postwar period, stewards in self-paced production areas performed many managerial responsibilities and work groups had the degree of autonomy that defines an organizational pattern.<sup>70</sup> Even after the bureaucratization of management cut back stewards' performance of supervisory duties and floor managers' autonomy to run their areas in a cooperative

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"off-line", easy jobs. Canadian plants also appear to have a high proportion of hourly "leaders" according to evidence in EIC-Canada 1986, 123.

<sup>70</sup> For example, as they described the division of authority between supervisors and stewards in areas with strong stewards in the late 1980s, managers in Budd's Philadelphia stamping plant echoed Edwards' (1986, 234) comments about two English plants. Edwards wrote: "In both factories, the stewards boasted that 'we run the factory,' and the role of first-line supervisors was correspondingly limited."

fashion, haggling over piece rates or the quota--and their adjustment in the event of downtime early in the day--provided stewards or informal leaders with at least a limited role among self-paced production workers.<sup>71</sup>

The contract still determined many individual job rights in self-paced settings. These rights, however, had little relevance to the determination of the wage/effort bargain. Negotiations backed by slowdowns established this trade-off. As long-time Budd union official Erwin Baur put it based on experience at the Detroit self-paced group quota factory,

There's still that power play of 'I'll work so hard and no harder.' And if you have a good militant spirit, you'll work less hard. If you've got a docile group, you'll work harder (interview with the author, 3/87, 20).

More generally, to the extent that self-paced technology and production work in small groups translated into collective traditions, workers could force managers to deal with the substance of their complaints and to do so much more immediately than under the grievance procedure absent shop floor pressure tactics.

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<sup>71</sup> Piece rates probably sustained collective patterns better than daywork quota systems. They provide one more variable to bargain over, the wage, one about which workers have strong feelings. Along with this, piece rate bargaining tends to promote sectional rivalries. A concession to one work group often leads nearby workers' to feel aggrieved and fight with a stronger sense of moral outrage for a comparable rate improvement.

#### iv. Skilled Workers

For skilled workers, contractual work rules and the grievance procedure had different consequences still. With unionization, contract and custom specified the work that fell within each skilled jurisdiction. Well-defined lines of demarcation also separated the responsibilities of different trades from one another. The skill and variation associated with trades work, however, prevented Tayloristic definition of each task. Skilled workers still decided how to do their own jobs. Individual workers may have lost some power relative to members of the somewhat broader "basic" trades of the pre-union era. On the other hand, by protecting skilled workers from victimization, unionization enhanced their power. Precise lines of demarcation and narrow trade definitions themselves also became a source of leverage. To preserve jobs or protest management action, skilled workers could enforce lines of demarcation more rigidly--as well as taking twice as long to do a job, following supervisory instructions to the letter when they knew them to be faulty, or disappearing to find tools during crisis maintenance.

Their role in production gave skilled workers enormous influence on work effort norms, and some positive influence on working conditions as well as the freedom to plan their own work.<sup>72</sup> Skilled workers, in general, had a more

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<sup>72</sup> See Goode 1976. Skilled workers' control over their own effort levels caused (and causes) managers no small amount of consternation. Reflecting fear that trades



collaborative relationship with low-level foremen than production workers. Supervisors often provided "a second opinion" and acted as coordinators rather than disciplinarians. More autocratic supervisors could be disciplined by subtle actions that eroded performance. Skilled workers also used their leverage to gain varying degrees of influence over outsourcing of construction or maintenance work. When increases in demand or in-plant construction work led management to believe that it needed outside assistance, stewards and foremen at Budd-Detroit would sit down and plan the work in a way that enabled the existing workers to perform as much of the job as they desired.<sup>73</sup> Reflecting the power of skilled workers and

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weren't doing their share, staff and upper floor managers tended to get apoplectic at the sight of skilled workers sitting on the job (Goode 1976 and field interviews). An industrial relations manager interviewed at a U.S. Big Three engine plant spoke in 1984 about the difficulty of establishing skilled trades staffing levels. In staffing a new "lean and mean", "best in the West" engine line, he said plaintively, "I know how to cut production heads, Steve, but how do I know how many trades I need?"

<sup>73</sup> Upper managers' attitudes and skilled auto workers' minority status in plants with a much larger number of production workers periodically threatened the cooperation between skilled workers and low-level managers essential to effective performance. Managers sometimes felt compelled to enforce rules with trades workers that were aimed primarily at production workers: for example, no leaving early to wash-up at the end of the day. If managers did not do this, unequal enforcement led production workers to point to unequal treatment in their effort to resist managers. Out of solidarity, some skilled (and semi-skilled non-production) workers encouraged production workers to make the comparison by, for example, walking deliberately through assembly areas with five to ten minutes left in a shift. No systematic research explores the extent of skilled and production worker cooperation against management in auto plants over the past 35 years.

the union's continued capacity to defend their interests, overtime grievances, outside contracting (and, especially during layoffs, jurisdictional disputes)--not speed-up and discipline--made up the bulk of skilled grievances (Goode 1976, 36; Gersuny 1973, 49-50).<sup>74</sup>

#### v. Some Summary Remarks

Skill, work group cohesiveness, and traditions of concerted action, then, tended to expand the realm of informal bargaining and the extent of "substantive resolution" between workers, or worker representatives, and low-level supervision. Having a larger role in production--having more control over the content and pace of their work--gave workers more leverage, and enabled them to force managers to take their concerns into account as a condition of cooperation in achieving corporate goals.

Informal shop floor bargaining sometimes took place over the interpretation of rules and sometimes on issues

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<sup>74</sup> No research has systematically explored conditions on the shop floor for machine operators or semi-skilled indirect production workers like off-line repairmen and roving inspectors. My speculation based on limited field work is that these classifications enjoyed power and autonomy intermediate between machine-paced assembly workers and skilled workers. My further speculation is that life on the job varied greatly for members of indirect production classifications that worked as individuals. These workers enjoyed freedom of movement--and from supervision--approaching that of skilled workers. Intrinsic interest and peer pressure, however, played less of a role in establishing work effort norms than in the case of skilled or interdependent self-paced work groups. Easily intimidated or ambitious indirect production workers might work hurriedly throughout the day while others improved their bridge game.

about which the contract had little to say. When formal proceedings entered the realm of informal bargaining, they entered in a way that bore little relation to the application of a set of rules and precedents to a particular case. Sometimes the extent of informal bargaining collapsed the distinction between contract making and contract enforcement as the meaning of contract and custom were constantly redefined in struggles on the shop floor (Stone 1981, 1506). Sometimes, formal proceedings were "a veil for the real dispute," one pressure tactic among many in efforts by workers and managers to accomplish their separate goals on the shop floor.

The relationship between the extent of contractual rules and of informal bargaining was complex. A few contractual clauses--e.g. restrictions on outside contracting--expanded management's obligation to bargain and thus expanded the realm of steward-supervisor negotiation. More often, rules reduced what there was to bargain about. Thus while they expanded workers rights, contractual rules simultaneously "narrowed their freedom to work the issue out by their own efforts on the shop floor" (Brody 1980, 201).

### C. Procedural Unionism: The Social Process of Union Decline

Chapter four examines how the limitations of the union's role among production workers led to internal conflict within the U.S. and Canadian UAW during the postwar period. As a prelude to that historical analysis, the remainder of chapter three explains in a more analytical way the erosion of workforce cohesion, collective confidence and rank-and-file/union ties under procedural unionism. The essential argument is as follows. In the postwar union-management relationship, UAW representatives ceded their initial role as orchestrators of shop floor collective action. Occasionally, low-level union representatives continued to coordinate effective concerted pressure on management. The institutionalization of conflict under procedural unionism, however, left the union unable to attend effectively to many production workers' most pressing job concerns. Even when workers resorted to collective action, the union played an ambiguous role concerning it. Over time, this corroded worker solidarity and membership support for the union.

In the postwar period, as the GM model eliminated powerful steward bodies, the union became practically invisible on the job to typical workers who filed grievances once every several years.<sup>75</sup> With dense steward

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<sup>75</sup> At General Motors, grievances per 100 workers rose steadily from 12.8 in 1947 to between 52 and 72 in the 1970s (Lichtenstein 1986a, 135). Anecdotal evidence indicates that a small number of workers accounted for most

networks, the lowest-level union representatives worked part time, represented small groups of workers (25 at Dodge Main), and overlapped the informal leadership network of the shop floor (Lichtenstein 1982). Committee representatives under the GM model, by contrast, represented several hundred workers and enjoyed the privilege of full time off the job. As grievances played a bigger role in dispute resolution, some stewards and committee representatives who previously mobilized workers effectively proved much less able at writing grievances and interpreting rules and precedent. "The steward ceased to be a leader and became increasingly a shopfloor lawyer--and shopfloor organization suffered from this 'Perry Mason' syndrome" (Moody 1988, 84).

A gradual change in the character of union representatives reinforced the separation of the union from the rank-and-file. With strong steward bodies, anyone who failed to serve the work group effectively lost the next election to a new spokesperson. Since committee persons had weaker links with work groups, democratic checks on representatives lost much of their effectiveness. Committee members depended more on management cooperation and less on rank-and-file pressure to gain formal or informal concessions. To satisfy their constituents, and thus gain reelection, representatives had to develop

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of these and that individual, discipline-related grievances probably accounted for much of the rise (see chapter 8).

cooperative relations with supervisors from a position of weakness.<sup>76</sup> Spending increasing amounts of time with supervisors and less with rank-and-file workers in itself produced subtle changes in attitude and aggressiveness (Beynon 1975). Possible promotion to international staff positions created additional pressure in favor of responsible behavior by local officers and, through them, on shop floor representatives. At the same time, the limited power of committee representatives discouraged workers motivated to protect others by moral outrage to run for office. In the words of Nelson Lichtenstein:

the aggressive shop steward system of the union's first decade atrophied, while the strata of full-time local officials adopted a more bureaucratic orientation towards the mass of increasingly atomized workers. With shop-floor channels of resistance and protest thus progressively narrowed, rank-and-file workers fell prey to an alternating pattern of apathetic resignation and episodic militancy that provided little basis for a sustained challenge...[to management].

The repression of large-scale resistance and confinement of the union's role also inhibited the development of a stable informal leadership. Progressive discipline through which repeat offenders received more severe penalties raised the cost of each act of resistance by militants. Exemplary discipline made leaders of

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<sup>76</sup> Zabala (1983, 88) quotes a foreman at GM Van Nuys: "The company basically likes this (committeeman)...So Labor Relations likes to keep him in office. They're willing to put up with his s---. A good way to keep a man in office is to keep the people happy. Let the man win their grievances." See also Widick 1976, 9 and Brody 1980.

stoppages or wildcats subject to long suspensions or firing. According to Wells (1986a):

Both through the policy of progressive...(and)... exemplary discipline, leading militants tend to become at once sacrificial offerings and symbols of defeat. This undermines the development of an informal cadre of militant leadership and inhibits the strengthening of ties of solidarity between more-militant and less-militant workers: militants tend to tire of taking the martyr's role. The same is true of militant work groups, which end up taking more punishment than others. All of this contradicts the development of collective self-confidence, both in workers' abilities to fight management and in their capacities to stick together. Resistance tends to fragment and shatter along individual and work group lines, rather than snowballing to departmental and plant-wide levels where workers' resistance might be a more serious challenge to management control.

Ties of solidarity weakened not only because militants had little opportunity to protect, and gain the loyalty of, others. Deprived of channels for collective protest, workers willing to resist management aggression used their confidence and ingenuity more for personal gain (as did shop stewards).<sup>77</sup> "Troublemakers" obtained easier jobs (and, where they existed, lead hand positions.)<sup>78</sup> Zabala (1983, 69-74) describes a case where a foreman placated a worker threatening to file a speed-up grievance by giving one of his job elements to an adjacent worker. Divisions in the rank-and-file, in turn, reinforced critical views of

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<sup>77</sup> Beynon (1975, 140) notes that "In an organized shop individual acts of defiance or 'laziness' can threaten the unity and organization achieved by the mass in collective action..."

<sup>78</sup> See Zabala 1983, 309 and, for a specific example, 254-255. See also Chinoy 1955.

the union. The union became identified with defense of either chronic complainers or, especially after the 1960s, workers with records of absenteeism or substance abuse.<sup>79</sup>

Procedural unionism reinforced the fragmentation of the workforce in a number of other ways. Seniority-based work rules originated as a collective safeguard against discriminatory layoff, assignment to difficult jobs, or other forms of victimization. Over time, they evolved into a set of individual property rights. Senior workers bid onto easier, off-line jobs, rather than struggle to improve conditions on the assembly line. During speed up, these workers escaped the brunt of the managerial offensive. Seniority-based layoffs and supplementary income benefits protected experienced workers from employment fluctuations. Along with pensions, these benefits also heightened senior workers' stake in the enterprise and its survival. When layoffs or cost-cutting came to "save the plant", this divided some senior workers from workers who stood to lose their job.

The grievance procedure reinforced the erosion of worker solidarity and faith in the union partly because of its ineffectiveness. Grievance battles were fought on legalistic terrain where management industrial relations experts held the advantage. As George Strauss notes, with pressure tactics common, "contract creep" worked for the

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<sup>79</sup> This identification has been noted in a number of recent case studies of QWL programs. See, for example, Heckscher 1988; and Kochan et al. 1984.



union. Without such tactics, the interpretations crept more in management's direction. Even when the union won a grievance, the operation of the system did little to bolster workers' collective identity. While grievances might stem from the same management actions, they were processed on an individual basis. Workers also participated little in pressing their own claims. The process deprived workers of the sense of accomplishment and empowerment associated with successful direct action. According to a staff representative interviewed by George Strauss (1962) in the early 1960s:

When the men settled things on the floor (through wildcats, etc.), it was something they did themselves. They directly participated in determining their working conditions. When things are settled legalistically, through the grievance procedure, it's something foreign. They don't see it.

As Strauss (1962, 90) concluded, based on his studies of local unions in Buffalo, "restrictions on wildcats and self-help techniques help to reduce the workers' identification with their union." The grievance process immobilized rather than mobilized workers.<sup>80</sup>

Harry Shulman's model of industrial democracy bore little relation to the reality of plant life. As an ideology, however, "the workplace rule of law" "gave an air

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<sup>80</sup> Even successful mid-contract strikes could have this effect if the rank-and-file had little participation in negotiations. Zabala (1983) reports that, after a successful, officially sanctioned speed-up strike at Van Nuys, the mood on the floor remained depressed and criticism of the union rampant.

of impartiality and fair-mindedness to the enforcement of management supremacy in the workplace" (Brody 1980).

Making pressure tactics illegal had the opposite effect.

As Brody (1980) continues, the "denial of legitimacy"

...ate at the vitals of the shop-floor impulse. American workers might engage in pressure tactics but, as Sumner Slichter remarked, they knew they were breaking the rules. It would be hard to imagine a more insidious check on so fundamental a phenomenon as the self-activity of the work group (Brody 1980, 206).<sup>81</sup>

Earlier in the same article, Brody eloquently captures both the persistence of informal activity under procedural unionism and the influence on it of a hostile ideology:

Contractual rules could never totally penetrate the core of informal shop-floor activity--doubling up by assembly-line workers to get more free time, for example, or banking of extra finished work by machine operators to keep within an informal output limit--any more than could the most vigilant plant management. But the contractual net did progressively narrow the scope of such activity, and, what was no less important, increasingly designate it as extralegal in character. At the point that workers began to accept the underlying premise--if it was not in the contract, it was not a right--half the battle was over.

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<sup>81</sup> Weighing the importance of this argument is very difficult. As Stone notes (1981, 1575), "It is impossible to know how deeply the illusion of consent affects individual worker attitudes toward their employers and their union."

CHAPTER 4: SHOP FLOOR DISCONTENT, INTERNAL UNION DYNAMICS  
AND LABOR'S POLITICAL ROLE FROM 1960-1978

In 1960, the postwar auto pattern of development and the union within it looked much the same in Canada as it did in the U.S. By the onset of the recession in the late 1970s, however, the Canadian region of the UAW would be more unified than the U.S. and more capable of maintaining that unity against divisive external pressures. In the U.S., the limitations of the postwar structure on the shop floor had produced disenchantment with the union, further erosions in the union's capacity for internal debate, and diminishing use of and confidence in membership mobilization outside the ritualized confines of tri-annual collective bargaining. In Canada, the ineffectiveness of the grievance procedure had been managed in ways that reproduced commitment to the union, sustained the collective identity of its activist cadre and expanded its capacity to use militance against employers and in politics.

The divergence in the internal cohesion of the U.S. and Canadian UAW grew out of (1) actual differences in plant-level relations and (2) contrasting management of the discontent that stemmed from the union's limited shop floor power in both countries. The capacity of the Canadian union to manage discontent in ways less damaging to internal unity, in turn, reflected (a) economic and

demographic trends in the two countries, (b) internal union structure (and the political skills of Burt's successor as Canadian President, Dennis McDermott), and (c) the unifying influence of nationalism and broader conflicts with employers and the government in Canada.

On the shop floor itself, as we saw at the end of chapter 2, the late 1950s witnessed sharper attacks on locals with strong collective traditions in the U.S. Through the 1960s and 1970s, in Canada, the collective traditions that survived the late 1950s were sustained by employment growth and a continued influx of young, new workers into the union. In the U.S., declining employment in traditional centers of auto production translated into a continuing move toward individualistic patterns of shop floor relations.

Internally, the Canadian leadership also had more success at retaining workers' allegiance despite their frustrations at the limitations of procedural unionism. The U.S.-Canada difference in this respect represented a continuation of the contrasting relations between secondary and national leaders in the two countries in the 1940s and 1950s. In the U.S., the strained relations between local militants and international union leaders that grew out of World War II and of the leadership's insistence on following procedure had become mutual incomprehension by the late 1960s and early 1970s. During the (somewhat exaggerated) "rank-and-file rebellion" of these years,

racial, generational and cultural differences in the U.S. exacerbated leadership-activist divisions. The International saw radical blacks militants and their white allies as rejecting existing production relations--and the union's role in them--without offering a realistic alternative that UAW leaders could accomodate. Within the rank-and-file, the same demographic fault lines divided more senior, predominantly white workers and less senior, more heavily black workers. In the 1950s-1970s, the Canadian industry remained overwhelmingly white and male. While ethnically diverse, the high proportion of first generation immigrants in Canada created a shop-floor constituency more willing than second or third generation U.S. immigrants and blacks from the south to accept the frustrations of machine-paced jobs.<sup>82</sup> The growing militance of the Quebec left in bargaining and politics meant that the closest Canadian equivalent to the U.S. racial divide--the separation between English and French Canadian workers--served to reinforce Canadian union militance and its independence from the UAW International.

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<sup>82</sup> Between 1950 and 1960, annual net migration to Canada equalled 6.9 per 1000 compared to 1.8 in the U.S. Between 1960 and 1970 net migration equalled 3.6 and 2.0, respectively. From 1970-1974, the Canadian figure increased to 4.4; the U.S. dropped to 1.7. In 1986 and 1987, the Canadian figure was 1.8 and the U.S. figure 3.2. (Sullivan 1990, Table 1). The Budd-Kitchener case (chapter 10) suggests that internal migration from the maritime provinces may also have accounted for large parts of the increment in the Ontario auto workforce after the Auto Pact. On the contrasting world views and willingness to endure manual labor (and low-status jobs) of first- and second-generation migrants, see Piore 1979b.

Union structure reinforced the separation between leadership and rank-and-file in the U.S. Given the resources of the Administration Caucus and the geographic dispersion of production, secondary leaders outside the skilled trades found proved the U.S. union's horizontal structures ineffective vehicles for communicating with and pressuring the leadership. The accomodation of opposition demands and the reconstruction of unity in the face of internal dissent, therefore, became increasingly dependent on the skills of individual leaders. With Reuther's 1970 death and the increasing divergence in the world view of union leaders and militant activists, accomodation and communication regarding the constraints faced by UAW leaders diminished over time. In Canada, the District Council combined with geographic concentration, the high proportion of assembly plant workers in the membership, and the preservation of somewhat denser networks of militants on the shop floor to make mobilizing production worker opposition much easier than in the U.S. In the early 1970s, the pressure McDermott faced from a resurgent opposition caucus mobilizing dissent in the District Council led him to combine attempts to marginalize his critics with the adoption of part of their platform.

Finally, national context facilitated the preservation of unity within the Canadian union. In the U.S., the defeat of labor law reform in 1978 symbolized labor's political weakness. Wage inequality also grew rapidly in

the 1970s as inflation, the decline of pattern bargaining and deunionization reduced workers' wage gains outside large manufacturing companies. Together with the fragmentation of the postwar progressive coalition, this made the union vulnerable to charges of being a "high wage" special interest. In Canada, a wave of nationalism in the late 1960s and early 1970s helped broaden left-wing appeals for militance and greater autonomy within the International union. The same wave helped unify the region as a whole after McDermott incorporated these demands within his own platform. In the second half of the 1970s, the mobilization of the Canadian labor movement against wage controls unified UAW activists, directed union energy away from internal conflict over the Sisyphean character of workers' shop-floor battles, helped stem wage inequality and reinforced UAW bonds with other unions. The growing strength of the nationalist wing of the CLC in the 1970s also made more explicit than previously the role of the labor movement as a guarantor of Canadian national identity. The political strength that grew out of the combination of renewed militance and nationalism manifested itself in Ontario in legislation enforcing the Rand formula and improved health and safety laws.

A. Internal Union Dynamics in the U.S.

The establishment of militant individualistic patterns that left the union without effective ways of addressing

many production workers' daily concerns did not happen uniformly throughout the industry. It took place first among assembly workers at GM, then Ford, then Chrysler. It took place later at smaller automakers and independent suppliers. At suppliers, self-paced technology, a later turn to bureaucratic management, and the leverage workers' gained from their capacity to shut down their employers' customers helped preserve collective traditions. The symbolic insignificance of plants outside the Big Three also helped preserve their shop floor traditions. If the Ford Rouge, Dodge Main or other Big Three, Detroit-area plants maintained strong shop floor unions, they provided a real or imagined base for opposition to the International and a highly visible example that encouraged other rank-and-file activists to challenge the union. Intra-corporation councils presented a possible horizontal link with other plants in the same firm. Plants outside the Big Three posed less of a threat to the leadership or to the trade-off of compensation and seniority-based work rules for shop floor stability. As a result, some plants had predominantly collective and organizational patterns throughout the postwar period. At AMC's Kenosha, Wisconsin plant, a low worker/steward ratio persisted until a 1985 contract signed under the threat of plant closure. At Budd-Detroit, periodic plant-wide work stoppages continued throughout the 1960s. An organizational pattern protected



by the threat of slowdowns persisted in part of the plant until the early 1980s.

While workers in these pockets of shop floor strength maintained the power to fight speedup and improve working conditions, other UAW members found life on the job increasingly frustrating after the late 1950s recession. At Studebaker and International Harvester as well as Chrysler, the prolonged auto recession beginning in 1956 provided the occasion for an attack on established shop floor traditions. The long boom in the second half of the 1960s, in turn, brought discontent to the surface at plants like these which had memories of an alternative model of shop-floor life; as well as at General Motors plants where, for the most part, the union's role had never been as expansive. Between 1966 and 1970, strike frequency at GM rose by two-thirds compared to the previous five years. At Chrysler, it almost quadrupled (table 2.2; see also Jefferys 1986, 8).

Emphasis on "conditions" in local bargaining and increasing absenteeism grievances corroborate the claim that the origins of dissatisfaction lay in unattended shop floor concerns (Herding 1972, 168-173 and 209; Jefferys 1986, 164). Local officers became the point men for rank-and-file anger. Steward turnover rose and, in some plants, militant and cooperative local leaders alternated as neither could effectively overcome the structural constraints of their position (Herding, 1972, pp. 184, 202

and 262). UAW polls taken in 1961 and 1967 suggest the broad base of this discontent. In these polls, two-thirds of workers held a favorable impression of the International union.<sup>83</sup> In 1961, only 26 percent and in 1967 only 16 percent of workers thought of their committeeman as a "stand up guy who protects the workers." Workers approved of strikes called over work loads and local issues more than over the national contract. A majority thought the handling of such strikes only "fair" or "poor".

The international union did not ignore the evidence of discontent on the shop floor. Union leaders, within the constraints of their own vision of responsible unionism, attempted to address workers' daily frustrations. A subtle shift took place toward local bargaining over working conditions. The international began to approve local strikes more often, particularly at contract time. Even so, when local strikes interfered with national bargaining priorities, the union continued to give the latter precedence.<sup>84</sup> In national contracts, the union negotiated

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<sup>83</sup> The information in this sentence and the rest of the paragraph is taken from Lichtenstein 1985, 375.

<sup>84</sup> For example, when a 1967 wildcat at a Mansfield, Ohio, GM parts plant idled 133,000 men in over 20 shops, Reuther declared the strike illegal. The strike, local leaders were told, threatened the UAW's push for annual salaries and profit-sharing in 1967 bargaining (Weir 1970). On the authorization of local strikes in general, see Weir 1970 and Garson 1973. International willingness to authorize strikes also appears to have been limited to plants where it could control the consequences. Thus at GM the average annual unauthorized strike frequency per thousand workers between 1965 and 1969 was 0.09 and the authorized average was 0.12. At Chrysler the figures were 0.48 and 0.02 respectively (Jefferys 1986, 8).

language intended to reduce delay in processing grievances on work standards. It bargained for increased time off for grievance committeemen--something GM and Ford accepted more readily as they saw the advantages of loosening union representatives' ties to their constituents. The union also negotiated for small increases in relief time.<sup>85</sup>

Rumbles of discontent within the union continued unabated, however. Two strands of opposition strengthened in the late 1960s. Skilled tradesmen, long unhappy with the perceived production-worker focus of the union, and concerned about wages falling relative to the construction trades, threatened to form a separate union for the second time in 10 years. The leadership forestalled a skilled worker revolt by giving the trades veto power over national contracts--subject to International Executive Board approval. Skilled workers also gained an extra 84.5 cents an hour over three years in the 1967 contract.<sup>86</sup>

Young, especially black, workers represented the second strand of opposition. The boom economy beginning in 1962 and ending in 1973 led the auto companies to engage in massive hiring campaigns. Federally-sponsored programs to give jobs to minorities increased the proportion of blacks

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<sup>85</sup> On relief time, see Herding 1972, 126 and 131. On contractual standards language see the same source, 180-182. On time off for committeemen, see Herding 1972, 132 and 180-182.

<sup>86</sup> On the history of skilled trades dissent within the union in the 1960s and early 1970s, see Weir 1970 and Fine and Leffler 1973.

among the new hires (Thompson 1985).<sup>87</sup> While older, predominantly white, workers took off-line inspector or repair jobs, younger workers bore the brunt of the speed-up induced by the high demand for cars. The expansion also led to the extensive use of forced overtime.<sup>88</sup> The pressure for production, tired workforce and lack of time to repair equipment increased health and safety hazards. In 1972, one of every two auto workers experienced a job-related injury or illness (Thompson 1985, 5).

Many young workers expressed disaffection with working conditions in individualistic ways. At Dodge Main in 1966,

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<sup>87</sup> In the early 1940s, the number of blacks in the industry workforce stood at 4 percent (Bailer 1943, cited in Meier and Rudwick 1979, 7). By 1962/63, the average number of "black and other" workers in "motor vehicles and motor vehicle equipment" nationally had risen to 10.25 percent; by 1967, it had reached 13.0 percent; and by 1973, 15.6 percent (BLS unpublished data and USDOL 198?, BLS Bulletin 2096, 668). Given the rise in overall industry employment between 1962 to 1973 (from 828 to 1175 thousand), the number of black and other workers in motor vehicle and equipment firms rose from 90 thousand to 183 thousand. (Data for the period immediately following the switch by BLS from reporting the percentage of "black and other" workers to reporting the percentage of "black" and the percentage of "Hispanic origin" workers separately indicate that the figures for "black and other" workers only overstate the number of blacks by one or two percent (see USDOL, Employment and Earnings, January 1983, 165 and January 1984, 188.)) The concentration of blacks in Detroit and other urban northern plants was (and is) much higher than the national figures.

<sup>88</sup> In SIC 371, Motor Vehicles and Equipment, production worker average weekly overtime hours rose from 2.6 in 1961 to 4.1 in 1962 and then 6.2 by 1965 (USDOL 1985, BLS Bulletin 1312-12). While fluctuating down to 3.2-4.9 in intervening years, weekly overtime equalled 5.8 in 1968, 5.3 in 1972 and 6.1 in 1973. Beginning in 1972, figures are reported separately for SIC 3711, the assembly SIC code. In 1973, overtime hours in SIC 3711 equalled 6.5 hours in 1973 per week.

the greatest number of grievances still concerned work standards. But grievances over dismissals reached 222, 1 for each 50 workers. After "falsifying applications," the largest number of these were for "insubordination," "excessive absenteeism," and being "under the influence of intoxicants" (Jefferys 1986, 164). Drugs became more commonplace in many plants.

Workers in some plants also acted collectively. The international union's response depended on the context of these actions. At GM plants isolated from the rest of the union and locals where the leadership largely followed contractual procedures for mid-contract strikes, the UAW's growing willingness to authorize these enabled local officers to help coordinate more aggressive shop floor pressure. At GM-Van Nuys in the 1960s, for example, the local union obtained strike authorization each year from the International and employed that threat to settle speed-up and other grievances (Zabala 1982). At plants closer to Detroit with more militant traditions and an active core of black radicals, the union leadership reacted less supportively.

Many of the plants where the international union supported local leaders in the early 1970s were part of the newly-created General Motors Assembly Division (GMAD).<sup>89</sup>

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<sup>89</sup> This account of the GMAD reorganization and the UAW's response is based on John DeLorean's account as told to Patrick Wright (1979, 198-201); and on a telephone interview with Irving Bluestone, 6/89.

At Lordstown, the most famous such example, workers and the union orchestrated a concerted effort to resist a speed-up that culminated in an official 23-day strike.<sup>90</sup> General Motors created GMAD by combining into a single division each car division's domestic assembly operations and its Fisher Body Division stamping plants. The rationale, consistent with the logic of high volume, mass production, was that a single assembly division would be more efficient (Wright 1979, 198-199). At each location with an assembly and stamping plant, the creation of GMAD required combining two local unions and two managements.<sup>91</sup> Battles for dominance between the formerly separate locals, the problems associated with combining two local union contracts, and the toughness of GMAD managers--who now faced narrowed promotion opportunities--all contributed to the volatility evident at Lordstown and other GMAD locations.

UAW leaders perceived GMAD management to be using corporate reorganization as an excuse to intensify work and eliminate jobs. Along with this, they perceived GM managers as acting unilaterally and refusing to negotiate in good faith. GM was violating the spirit of the grievance and arbitration process. After Lordstown, the

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<sup>90</sup> Moberg 1979. Garson 1973 raises questions about the effectiveness of these efforts.

<sup>91</sup> This integration may have "infected" assembly locals with the more collective stamping plant traditions as in the Briggs and Ford case in Britain (on this, see Tolliday and Zeitlin 1986).

international authorized a 162-day strike at GM's Norwood plant. Then UAW leaders told the company they would "no longer tolerate" GMAD's belligerent attitude (interview with Irving Bluestone, 6/89). Given the limited power of stand-alone assembly plants, the UAW brought component manufacturing plants into the picture. Local unions at key plants processed "legitimate", strikable grievances and obtained strike authorization. The UAW then initiated rotating strikes, a few days at one plant, then a few days at another. At an Atlanta plant, GM came to the union pleading that the hit and run strikes--or Apache strikes as they came to be known--"are hurting us something awful" (interview with Irving Bluestone, 6/89). Told the strikes would continue until GM stopped tightening the screws at GMAD plants, GM backed off. In a few cases, union-orchestrated collective action may have led to a qualitative change in the way work standards were established and in shop floor patterns of social relations.<sup>92</sup>

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<sup>92</sup> At components plants, in particular, union actions may have preserved or created collective patterns of shop floor social relations. Anecdotal evidence indicates that quota workers at some GM component plants would earn several hours off at the end of the day in the late 1970s, a decade of rising employment and increasing market share for the company. This suggests the existence of collective or organizational patterns of shop floor relations. One union source maintained that, in the 1970s at GM, the union regularly whipsawed the company on working conditions questions. Representatives to the GM company council or sub-councils would agree that a strong local should fight for a particular new provision; and would follow achievement of the provision at the lead plant with demands for equivalent clauses at other locals.

At plants closer to Detroit with an active core of black radicals, the union leadership reacted less supportively. In these cases, wildcats sometimes began against management but then turned against the union as well when local officers sought to keep workers in line (Herding 1972, 294-296 and 208-209). At Dodge Main, workers' new militance converged with the past tradition of shop floor bargaining. For a short time, the militant, black Dodge Revolutionary Union Movement (DRUM) stepped into the vacuum created by union unwillingness to organize resistance.<sup>93</sup> DRUM provided the impetus for a number of other RUMs in auto plants around the country. While these radical black nationalist groups had declined in most Detroit-area plants by the early 1970s, a host of rank-and-file groups continued to publish newsletters and organize workers around shop floor issues such as health and safety (Thompson 1985, 6-7).

The United National Caucus, established by skilled workers at the 1968 national convention, attempted to forge bonds with militant production workers as part of an effort to reestablish a national opposition. It elected as co-chairs Jordon Sims, a black union official supported by some black militants and Pete Kelly, a skilled tradesman at the GM Technical Center (Geschwender 1973, 199-203;

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<sup>93</sup> Jefferys (1986, 168-187) details the relationship of DRUM to events on the shop floor. Georgkakas and Surkin (1975) and Geschwender (1977) document the fortunes of DRUM and the League of Revolutionary Black Workers outside the plant.



Jefferys 1986, 262, note 63). The Caucus ultimately failed to link militants across the union. In 1973, the remnants of the United Caucus formed the Independent Skilled Trades Council (ISTC). According to Al Gardner, chairman of the Tool-and-Die Unit at Ford Rouge Local 600,

The production workers are hard to organize into any kind of national organization, since there are so many of them and they are so diverse. It's hard to build up the necessary communication links...The ISTC [formed] when we realized that the best chance of organizing a real opposition was in the skilled trades (quoted in Dyer et. al, 1986, p. 206).

In the end, then, the shop floor unrest of the 1960s and early 1970s produced neither "dual unionism" nor an effort by the national union to orchestrate rank-and-file militance into a concerted attack on managerial power.<sup>94</sup> Like the post-World War II period, it dissipated energy in a highly scattered strike wave; and left many of its most activist New Left members estranged from the union leadership. The structural obstacles to mounting opposition within the UAW partly explain these result. The Union blunted black militancy by integrating moderate blacks into its structure. The relatively privileged position of more senior white workers and the negative reactions of black as well as older white workers to militant black rhetoric may also be important factors.<sup>95</sup>

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<sup>94</sup> Radicals had long favored such an attack. See, for example, Swados 1963, and Wei 1970.

<sup>95</sup> See the discussion of ELRUM--the RUM at Chrysler's Eldon Avenue plant--in Georgakas and Serkin 1975, 108-124. See also Rosenberg's 1972 discussion of HRUM--the RUM at International Harvester in Chicago.

Corporate strategy played a part as well. In the late 1960s, management accelerated the movement of production to smaller plants away from traditional centers of militance like Detroit. The recession of 1973-1974 put an end to prospects for institutionalizing a more responsive rank-and-file structure. Big Three employment dropped from 736,000 in 1973 to 578,000 in 1975.

Three wildcat strikes at Chrysler plants in the heat wave of 1973 marked the final militancy of the period.<sup>96</sup> The first one took place in the Chrysler Jefferson St. plant where, in January, a worker named Tilden Engle had shot and killed a general foreman. In early summer, a 26-year old body shop worker, Isaac Shorter, circulated a petition requesting the discharge of General Foreman Thomas Woolsey for allegedly racist mistreatment of workers. Seventy 70 percent of his department signed the petition. On July 23, after another incidence of alleged racist remarks, a union committeeman had warned the labor relations department at a grievance meeting that Woolsey was "on a collision course with the body shop." Early the next day, Shorter and Larry Carter, 23, locked themselves into a body shop power cage and shut off the electrical controls to the feeder line. They demanded written assurance that Woolsey would be fired and that they would

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<sup>96</sup> This account of these strikes is based on Thompson 1985. Moody 1988 contains another account drawn, in part, from Thompson's research. The three strikes are also recounted in Geschwender 1977, 190-198.

be exempt from disciplinary action. By 5:30 in the afternoon, the company had acceded to their demands.

The UAW warned that the success of the Jefferson wildcat would set a precedent for other extra-contractual actions (Thompson 1985, 20). Less than two weeks later, on August 7, workers walked out at Chrysler's Detroit Forge plant and proved the union leadership right. In the previous two weeks at the Forge, accidents had crushed the arm of one auto worker and amputated the finger of a second. An axle had also flown off a conveyor into a third worker's chest. After the wildcat broke out, the union leadership reacted in contradictory ways. Based on a tour of the plant, UAW Chrysler Department Vice-President Doug Fraser acknowledged that conditions were abominable and that workers had "legitimate grievances" (Thompson 1985, 40). He talked of authorizing a strike. At the same time, the union red-baited the strikers, implying that the wildcat was instigated by a few outside agitators.

At an August 12 meeting, Fraser made a plea that workers' return to the job. The local president declared the strike over after a show of hands that some workers at the meeting felt favored continuing the walkout. When one third of the workforce returned to work and Chrysler and the UAW threatened the rest with immediate job loss, the strike was broken. Of the 18 people initially fired for their participation in the wildcat, three remained fired at the end of local negotiations in October 1973.

The final strike took place at the Chrysler Mack Avenue stamping plant.<sup>97</sup> In September, 1972, a die-setter had been killed when a plate off a faulty machine had cut off the top of his head. This prompted the in-plant United Justice Caucus to put out the first issue of the "Mack Safety Watchdog". A series of accidents in the summer of 1973 provoked further anger. So did the June firing of an activist steward. On August 10, 50 second-shift workers picketed the union hall to protest the absence of action to make the plant safe or get the steward reinstated. On August 14, two workers sat on a conveyor belt to halt production. When security guards tried to remove them forcibly, the two fought back with metal pipes. When police came back in large numbers, workers surrounded the pair. Fraser told reporters

I don't think you can capitulate in a situation like this. The agitators, regardless of who they are, represent only a very tiny fraction of the total Chrysler workers in the Detroit area and I advocate a policy of no surrender (Detroit News, 8/15/73; quoted in Thompson 1985, 65)

Of 42 workers who stayed in the plant, however, only three were part of the Workers' Action Movement (WAM), a communist group. Chrysler's Director of Labor Relations

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<sup>97</sup> This plant was formerly an independent Briggs stamping plant. Except for Thompson's research, which focuses on health and safety, no research has explored the connection between the Detroit wildcats and the character of production in the three plants. The Mack Avenue stamping plant and the Jefferson St. body shop were almost certainly self-paced.

also said the number of WAM members in the plant was small.

The Watchdog put out a leaflet saying:

...let no one be fooled. Mack workers who participated in and supported the protest did so because of the conditions of the plant. It was not WAM or any other organization that caused the struggle, but rather the anger of Mack workers at our unsafe and inhuman working conditions (quoted in Thompson 1985, 66).

When the police evicted those left in the plant by August 15, the President of Mack Local 212 argued in favor of a return to work. After this, the company would bargain again. The remaining strikers decided to set up picket lines. By August 16, Chrysler had fired 72 workers. That morning, 1000 UAW members loyal to the international leadership brought baseball bats and other weapons to reopen the plant. They physically assaulted workers who attempted to continue picketing or refused to enter the plant. After helping to reopen the plant, the UAW told reporters they were on call at all times to go to any other Chrysler plant that might decide to wildcat.

While a careful history of the UAW in the 1960s and early 1970s remains to be done, it seems likely that this period--perhaps beginning with the recession in the late 1950s--cost the union substantial shop floor support, especially among younger workers. In the early 1960s, life before the union remained a living memory on the shop floor. Workers probably also saw local leaders as aligned with their interests at least some of the time. By the early 1970s, all but a few workers had come into the union

after steadily rising wages and benefits became the norm. A significant fraction of them now saw the union as an obstacle to their attempts to protect themselves. As at Chrysler, antipathy towards the union (and company) was probably greatest at plants where commitment had once been strongest. Thus, Rosenberg (1972) wrote in Dissent of the radical deterioration in worker attitudes towards the union at International Harvester since Seidman et al. wrote the Worker Views His Union in 1958. The once-militant and cohesive Harvester Local had its roots in the communist-led United Electrical Worker but had been weaned away to the UAW in intra-union battles in the 1950s.

Kim Moody (1988, 93) concludes that

The 1973 wildcats symbolized the whole unresolved problem of the shopfloor regime. The workers couldn't take the increasing pressure on the line, but the International didn't want any part of contesting managerial prerogative.

#### B. Internal Union Dynamics in Canada

The U.S.-Canada Auto Pact signed in 1965 stemmed from Canadian federal government concerns about the future of the auto sector.<sup>98</sup> The industry's status as the second largest manufacturing employer in Canada and as a technological trend-setter led the government in the early 1960s to worry about declining employment and Canada's reputation for small, inefficient plants. The Pact's

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<sup>98</sup> Yates 1988, 307 forward. Except where otherwise noted, this section is based on Yates 1988.

solution to this problem was to eliminate tariffs on U.S.-Canada auto trade for companies that met performance requirements designed to induce them to locate more large, modern plants in Canada.<sup>99</sup> In "letters of undertaking" from the vehicle manufacturers to the Canadian government, the major companies agreed to meet two performance requirements after passage of the Pact: a one-to-one ratio of vehicles sold in Canada and assembled there; and a 60 percent content average for Canadian-assembled vehicles.

The Auto Pact thus paved the way for the integration and rationalization of the U.S. and Canadian auto industries. The major companies drastically reduced the number of models they manufactured in Canada. They also poured investment into Canada. Except at GM, they directed the bulk of this to assembly plants. These plants shipped vehicles to the U.S. and received many of their parts from south of the border (Yates 1988, 310).

In labor relations after the Auto Pact, management in Canadian Big Three plants attempted to move further in the direction of the GM procedural model. Employment growth and substantial hiring of young workers, however, countered the influence of bureaucratic labor practices on collective traditions. Internal union, historical, economic and demographic differences between the U.S. and Canadian UAW also gave the conflicts between regional and local leaders

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<sup>99</sup> At the time of the Pact, the U.S. auto tariff stood at 6.6 percent and the Canadian tariff at 17.5 percent (Toder et al., 1978).

in the late 1960s and early 1970s a different meaning north of the border. In the U.S., the emergence of RUMs and the trio of 1973 Chrysler wildcats brought to a head the conflict of interest between the international union and young machine-paced workers in the postwar industrial relations structure. In Canada, rank-and-file discontent and the brief reappearance of a Left Caucus represented a continuation of a debate about the union's role and its respective obligations to workers and to employers that had never been as completely resolved as it had in the U.S. These debates were a reflection of the partial institutionalization of Fordism not a reaction against its full institutionalization. As a result, in Canada, the perceived conflict of interest between national union leaders and local activists was not as great as in Detroit-area U.S. plants. Considered on a plant-by-plant basis, Canadian internal union dynamics more closely paralleled International/local union relations in outlying, more heavily-white U.S. plants such as Lordstown and Nordwood.

When work stoppages took place, tensions did develop between regional leaders and shop floor activists in Canada. Under Canadian law, these were all illegal wildcats. As in the U.S., wildcats usually began about work standards, discipline or other shop floor issues (Yates 1988, 329-331; Work Stoppages in Canada, various years). The law, the contract, and the logic of responsible unionism, however, required the union--at least



publically--to urge workers to return to the job. Thus when workers at AMC walked out in 1966 to protest unsettled grievances, including company hiring of outside workers for new jobs, the UAW instructed them to go back to work (Yates 1988, 330). In 1968, UAW officers suspended negotiations when Ford-Oakville workers struck to protest a union decision to extend a strike deadline (Yates 1988, 329).

Unlike their U.S. counterparts, Canadian union officials could limit the damage to regional solidarity by diverting responsibility for their actions to the government and the International union. At AMC, Canadian regional leaders told workers that they were violating the law as well as the contract. When workers ignored the union, an injunction against picketing drove home the point and compelled them to return. In the Oakville strike, union leaders told workers that the International "called the shots" when it lobbied them to go back to the job (Yates 1988, 330).

More important to maintaining regional unity and ties between the administration and local activists would be a reemergence of the Left caucus that succeeded in unifying local opposition in a way that the United National Caucus never achieved in the U.S. The first indication of a new opposition emerged before 1970 negotiations. At that time, Charlie Brooks, Bill Rutherford and two younger militants, Steve Nimigan and Oakville President Pat Clancy, proposed that Canadian delegates to the UAW International Collective

Bargaining Convention meet beforehand to develop a Canadian bargaining proposal (Yates 1988, 369 and 372).<sup>100</sup> The militants were particularly concerned about compulsory overtime, which manufacturers had been using more in the wake of 1969 changes to the Ontario Employment Standards Act (Yates 1988, 371). The District Council rejected the militants' proposal for a pre-Convention meeting to develop a Canadian bargaining agenda. The 1970 Canadian contract followed the bargaining priorities set by the International leadership. While Canada achieved wage parity, it did not get restrictions on voluntary overtime, COLA parity, or a contractual statement granting the right to strike over production standards should changes in Canadian labor law permit mid-contract strikes.

The recession that began during 1970 negotiations kept debate alive within the union about how best to protect workers. The union leadership's approach of political lobbying failed to achieve protection against plant closures or severance pay (Yates 1988, 369). Faced with corporate demands and government pressure to stay within the 6 percent PIC (Price and Income Commission) guidelines established by the Trudeau government, workers at independent parts firms and in other UAW-organized sectors accepted agreements below pattern. At Acme Screw and Gear

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<sup>100</sup> In what Yates (1988, 372) calls an "unprecedented move", McDermott supported wildcats that broke out to protest this law. The wildcats did not achieve changes in the law.

in January, 1971, the UAW accepted an 18-month wage freeze to prevent plant closure (Yates 1988, 368). Workers at Massey-Ferguson also took concessions when the company resisted matching its own U.S. workers' wages or the Big Three pattern, layed off 2450 workers and terminated the contract (Yates 1988, 368). Dissatisfaction with the 1970 agreement and with the union response to recession found a more receptive audience because of the International's request for a dues increase to cover the cost of the long 1970 GM strike and because of resentment at UAW President Leonard Woodcock's role in 1970 Canadian negotiations. In June 1971, a reemergent Left caucus elected a steering committee to formulate an alternative union strategy for a September District Council meeting.

The Left then began mobilizing rank-and-file discontent behind "A Program for Struggle and Progress for Canadian UAW Workers." The program demanded the use of collective bargaining and strikes to resist speed up, overtime, and plant closure; the use of mass demonstrations to press for legislation; and an effort to push the New Democratic Party towards socialism as a long-term approach to protecting workers. The program also demanded greater Canadian autonomy within the International Union, including a Canadian constitution, the Canadian region's right to determine its own national policy and bargaining goals, and a separate newspaper.

At the September, 1971 Council meeting, McDermott argued that demonstrations would be counterproductive and that the union should continue research, the development of alternative economic programs and lobbying to pressure the government. While McDermott won the support of the Council, he began incorporating aspects of the Left program to maintain internal unity and to prevent the consolidation of an opposition caucus. Setting a historical precedent that would be followed a decade later, the regional UAW leadership began supporting long strikes against concessions. A successful strike at Dominion Forge lasted 134 days. At De Havilland in 1972, a strike against concessions lasted eight months (Yates 1988, 376). While he stuck with lobbying rather than demonstrations in favor of maintaining threatened Auto Pact safeguards, McDermott provided the rank-and-file with a larger role in a letter-writing campaign begun in December, 1971.

Confrontation between the Left and the Administration came to a head in a strike at McDonnell-Douglas. After President Nixon announced a 90-day wage freeze to slow inflation in the U.S., Douglas attempted to impose a freeze on Canadian workers. After a month-long strike of 4000 workers beginning October 13, 1971, an Administrative Assistant to Leonard Woodcock and a U.S. Vice-President of the UAW Aerospace Department worked out an agreement that leaders of the Douglas production unit rejected. The International demanded that the local submit the contract

to the membership within 24 hours and ensured that workers would receive a favorable summary of it. Left-wing and nationalist forces inside the local mobilized against the agreement and it was turned down by a two-to-one margin.

Yates (1988, 379) argues that

The International's actions...confirm[ed] the Left's analysis of the IEB as a conservative force in collective bargaining and reinforced its commitment to achieve greater autonomy for the Canadian region.

In the end, a threat to close the Douglas plant brought about a settlement. After the threat, activists prevented a secret-ballot vote at a local meeting. This gave the International the opportunity to condemn them and end the strike. At the January 1972 council meeting, the regional leadership was able to villify the Left caucus for its lack of democracy at Douglas; and for being a channel for "outside interests" because of coordination with the nationalist Waffle faction of the NDP in its efforts to preserve Autopact safeguards (Yates 1988, 383).

While the Administration Caucus had won this battle, McDermott recognized that unity within the union remained fragile. In the next several years, he sought to "reconstruct internal union consensus" in two ways. First,

...lobbying and collective bargaining reflected changes which incorporated some of the practices advocated by the Left caucus. Second, the structural relations between the Canadian region and the International union were radically altered in direct response to many of the demands of the Left (Yates 1988, 385).

In lobbying, the union combined membership involvement with lobbying in protests against new U.S. tax incentives to locate production for export in the U.S. The union was particularly concerned about the impact of these tax incentives should auto pact safeguards be removed. To prevent this removal, the UAW held a series of community meetings to establish alliances with Ontario mayors. A group of mayors and union representatives then met with the Ontario Premier and gained his support and a commitment that he would present their views to Ottawa. The union's fears were realized when government ministers announced that the auto safeguards were "transitional" in February, 1973. Pressure from the NDP and the union led the government to retract its statement.

In 1973 collective bargaining, McDermott took control of negotiations for the first time. To reinforce his legitimacy, he took a secret ballot which affirmed the desire of the membership at Chrysler, the target company, to stay within the international agreement. After a short strike, the Canadian region won, in addition to the 30-and-out clause in U.S. agreements, a demand that overtime be voluntary over 48 hours. The contract also gave Chrysler workers the right to strike over production standards should that right be made legal under Canadian law (Yates 1988, 388). A brief strike at Ford won the voluntary overtime clause but not the conditional right to strike. The GM settlement had neither clause.

After negotiations, McDermott took on the issue of Canadian autonomy. Concern about U.S. economic policies that jeopardized Canada, the arguments of the Left caucus and a series of secessions from Internationals by Canadian locals, one of them a Steelworkers' local, led McDermott to argue for greater regional autonomy (Yates 1988, 390). In January, 1973 Canadian Council debates, McDermott first defended the principle of international unionism but then recommended three changes in union structure that would allow "true international unionism": separate affiliation of the Canadian region to world trade union bodies; a Canadian research staff; and a national newsletter. In April, 1973, the UAW IEB accepted these proposals. A new financial arrangement had also been set up to ensure that Canadian dues would be spent in Canada (Yates 1988, 391).

A strike in 1974 at a United Aircraft plant (later part of Pratt and Whitney) in Quebec reinforced Canadian unity and membership conviction in the importance of autonomy. The strike also provides a compelling contrast to the three Chrysler wildcats in the Detroit summer of 1973. The United Aircraft strike, which began as a lockout, started on January 7, 1974, after months of shop floor conflict, including slowdowns and firings of militants. The company refused to negotiate face-to-face until the union dropped its demand for the Rand formula. The union demanded, in addition to the dues check-off, COLA, voluntary overtime, language rights for French

workers, and reinstatement of 21 workers fired in earlier confrontations. What was already a violent strike turned more so in its eighth month when six bombs were detonated to disrupt the plant's power supply.

To this point, the International Executive Board had supported the strike. Given the importance of the strike to winning basic union rights in Quebec as well as the need to contain Canadian nationalism, the IEB voted to continue its support. Emil Mazey, Secretary-Treasurer of the International, wanted the strike ended, however. On August 10, he circulated a letter to all strikers, every Canadian UAW local, and the IEB charging UAW Local 510 and the Canadian regional administration with fraud in the delivery of strike benefits. The letter raised the possibility of a remobilization of nationalist opposition to the International and threatened to split English and French-speaking workers in the union.

To prevent these possibilities, as well as to defend against the charges levelled against the regional administration, McDermott condemned Mazey's letter. With the endorsement of the Canadian Council, McDermott demanded that the IEB censure Mazey. According to Gindin (1988):

The main reason for McDermott's decisive support for the Pratt and Whitney strike, in contrast to his reaction at Douglas, was his understanding of events in Quebec. Separatism was on the rise and support for the PQ [the French separatist party, the Parti Quebecois] was building. The attitude in Quebec to a strike for union security and union survival against an arrogant foreign



multinational seemed more akin to a third world struggle for independence than a conventional labor-management confrontation.

Alienating workers in this symbolic strike would have permanently weakened the UAW in Quebec and strengthened the provincial federation competing with the International-allied Quebec Federation of Labor (QFL). That McDermott recognized the symbolic significance of this conflict distinguished him from the International union when it faced the demands of radical black nationalists.

McDermott's intervention led the IEB to reprimand Mazey. After the Liberal government intervened unsuccessfully in search of a settlement, a group of strikers occupied the plant and took hostages. The QFL staged a huge demonstration outside the plant. Police then violently removed the workers from the plant with tear gas and clubs (Yates 1988, 395). As the strike entered its 20th month, the Quebec Premier finally worked out an agreeable settlement. Workers did not gain the Rand formula. They did gain for francophone workers the right to speak French on the job. According to Yates (1988)

Less tangible but no less important was the renewed spirit of militancy and the heightened emotional bonds of union solidarity which the strike left in its wake. The [occupying] commandos were declared heroes by the Canadian Council and their actions declared courageous. The Canadian UAW had stood by the United Aircraft strikers in the midst of opposition from the International and a virulently anti-union company. The union had proved itself the militant defender of workers' rights and in so doing, had reproduced internal union solidarity.

A critical by-product of the solidarity at the end of the United Aircraft strike (and other events in the 1970s) was the establishment of links between the union leadership and local activists politicized by the general political climate. In 1978, following the Swedish example, the Canadian UAW began trying to institutionalize the creation and incorporation of an activist, politicized cadre of secondary leaders by establishing an independent, six-week, union-controlled Paid Education Leave (PEL) program (White 1987, 148-152; author's interview with Gindin, 11/88). PEL programs were funded in Canada by small amounts of funding won in collective bargaining. At GM, the funding level began at \$250,000 per quarter in 1979 and reached two cents per hour worked in the 1987 contract.

### C. Political Isolation: The UAW as a High Wage Special Interest

In the 1970s in the U.S., labor's leaders found themselves increasingly frustrated in their political battles as well as facing criticism from within their own ranks. This political weakness contributed to the limits of the labor market reforms of Johnson's "Great Society". These remained peripheral to the operation of the labor market, focused on marginal workers and thus vulnerable to middle class political backlash (Mahon forthcoming). In the course of the 1960s and 1970s, moreover, Piore (1982) argues that labor's political isolation in the U.S. took

on a more structural and ideological character. Over this period, conflicts with blacks, women, the environmental and anti-war movements led labor leaders to jettison

...the notion of the progressive coalition as an organic one in which...conflicts might be resolved internally. In its place, the AFL-CIO substituted Gompers's view of unions as organizations in pursuit of the particular interests of their immediate constituency. And as labor came to see itself and present itself in this way to the American political community, so it has come to be seen that way by legislators, the electors and the courts, one of a multitude of particular, special interest groups to be accommodated in the shifting complex of coalitions and compromises which is American politics.

While UAW leaders resisted this change, and withdrew from the AFL-CIO in 1968 as "reGompersization" gathered steam, they nonetheless suffered the consequences of it. Two of the most obvious consequences of this vulnerability in the second half of the 1970s were the defeat of labor law reform and growing wage inequality.

Unions pushed labor law reform as their top legislative priority in 1977 and 1978, at a time when union organizing under the Wagner Act was becoming increasingly difficult (Clark 1989, chapter 10; Mills 1979). Initially, they had hoped to incorporate into U.S. law the Canadian practice of automatic recognition when 55-60 percent of workers in a bargaining unit sign union cards. The bills debated, however, sought only changes that Weiler (1983) argues would have been ineffectual--modest increases in penalties for the commission of unfair labor practices, streamlining of procedures so that companies could not so

easily delay elections to gain time to intimidate workers, and some increases in union access to workers during campaigns. Nonetheless, labor law reform failed due to a Senate filibuster (Mills 1979; Clark 1989). On June 14, in the second vote on whether to end debate on the bill, cloture fell two short of the necessary 60 votes. Sixteen of 22 Southern Democrats voted against cloture.

The intensive lobbying of business against the bill and the efforts of individual corporations prompted UAW President Doug Fraser to resign from the Labor-Management group created two years earlier so that labor and business leaders could jointly discuss major public policy issues. The other labor leaders in the group followed suit. Fraser charge that "leaders of the business community, with few exceptions, have chosen to wage a one-sided class war in this country" (quoted in Moody 1988, 148). He denounced GM, in particular, for pursuing its non-union, "Southern Strategy" (see chapter 5):

GM has received responsibility, productivity and cooperation from the UAW and its members. In return, GM has given us a Southern strategy designed to set up a non-union network that threatens the hard-fought gains won by the UAW. We have given stability and have been rewarded with hostility.

In response, the UAW leadership spearheaded the creation of "the Progressive Alliance" an independent political alliance aimed at organizing inside and outside political parties to make the political system more responsive and accountable (Moody 1988, 149-150). This hint of an attempt

to mobilize workers to put pressure on the Democrats--or create a foundation for a third party--came to an end as political and economic conditions deteriorated over the next two years. Internally divided over whether to support Carter or Senator Edward Kennedy in the Democratic Presidential Primaries, the Progressive Alliance dissolved after Reagan's election (Jacobs 1987).

In addition to political weakness, a second consequence of labor's declining position was the growth in income inequality. Within manufacturing, and in the case of the auto industry (see chapter 5), this trend reflected both the erosion of pattern bargaining among unionized firms and declining rates of union coverage. In combination with high inflation that reduced the real wages of workers without COLA protection, these tendencies meant that UAW wages relative the manufacturing average jumped from 26 percent in 1970 to 38 percent in 1978 (table 4.1). Increasingly, the public saw major industrial unions, but particularly the auto and steel industries, as "a high wage special interest." The UAW's sensitivity on this score heightened its sense of political isolation and defeatism as the auto sector entered its deepest downturn since the depression.

TABLE 4.1: THE AUTO/NON-AUTO WAGE GAP IN THE U.S. AND CANADA

|      | UNITED STATES   |   |   | CANADA                                   |   |   |   |
|------|---|---|---|--|---|---|---|
|      | Assembly<br>SIC 3711<br>Average<br>Hourly<br>Earnings | MV&Equ.<br>SIC 371<br>Average<br>Hourly<br>Compensation | MV&Equ.<br>SIC 371<br>Average<br>Hourly<br>Compensation | SIC 371<br>Average<br>Hourly<br>Earnings | Indexed to the Avg.<br>for all Non-Supervisors<br>Workers | Auto<br>Average<br>Hourly<br>Compensation | Indexed to the Average for<br>all Manufacturing Workers |
| 1955 |   |   | 124   | 134                                      |   |   |   |
| 1956 |   |   | 121   | 131                                      |   |   |   |
| 1957 |   |   | 121   | 130                                      |   |   |   |
| 1958 |   |   | 121   | 131                                      |   |   |   |
| 1959 | 126   |   | 128   | 134                                      |   |   |   |
| 1960 | 129   |   | 124   | 134                                      |   |   |   |
| 1961 | 128   |   | 123   | 134                                      |   |   |   |
| 1962 | 130   |   | 125   | 135                                      |   |   |   |
| 1963 | 131   |   | 127   | 136                                      |   |   |   |
| 1964 | 131   |   | 127   | 136                                      |   |   |   |
| 1965 | 132   |   | 128   | 136                                      |   |   |   |
| 1966 | 131   |   | 127   | 134                                      |   |   |   |
| 1967 | 130   |   | 126   | 132                                      |   |   |   |
| 1968 | 134   |   | 129   | 136                                      |   |   |   |
| 1969 | 133   |   | 129   | 135                                      |   |   |   |
| 1970 | 132   |   | 126   | 131                                      |   |   |   |
| 1971 | 135   |   | 132   | 137                                      |   |   |   |
| 1972 | 140   |   | 134   | 139                                      |   |   |   |
| 1973 | 139   |   | 133   | 139                                      |   |   |   |
| 1974 | 141   |   | 133   | 138                                      |   |   |   |
| 1975 | 141   |   | 133   | 142                                      |   |   |   |
| 1976 | 143   |   | 136   | 146                                      |   |   | 126   |
| 1977 | 145   |   | 138   | 150                                      |   |   | 124   |
| 1978 | 146   |   | 138   | 149                                      |   |   | 125   |
| 1979 | 145   |   | 135   | 147                                      |   |   | 127   |
| 1980 | 149   |   | 135   | 148                                      |   |   | 123   |
| 1981 | 154   |   | 138   | 152                                      |   |   | 127   |
| 1982 | 153   |   | 137   | 155                                      |   |   | 126   |
| 1983 | 151   |   | 137   | 151                                      |   |   | 115   |
| 1984 | 154   |   | 139   | 153                                      |   |   | 114   |
| 1985 | 155   |   | 140   | 156                                      |   |   | 117   |
| 1986 | 154   |   | 138   | 151                                      |   |   | 119   |
| 1987 | 155   |   | 137   | 151                                      |   |   | 120   |
| 1988 | 158   |   | 138   | 152                                      |   |   | 122   |
| 1989 |   |   | 150   | 151                                      |   |   | 118   |
|      |   |   |   |  |   |   | 122   |
|      |   |   |   |  |   |   | 120   |

## NOTES:

- Canadian data: "Hourly Compensation Costs for Production Workers in Manufacturing Industries, 1975-1988" unpublished data, USDOL BLS Office of Productivity and Technology (OPT), April 1990. Extended back to 1970 using data in the files of USDOL, BLS OPT. Extended forward to 1989 for compensation using "Hourly Compensation Costs for Production Workers, MV&E Manufacturing (SIC 371), 19 Countries, 1975 and 1979-1989," USDOL, BLS OPT, April 1990, and USDOL 1990, BLS Report 787.
- U.S. Data: USDOL 1985, BLS Bulletin 1312-12 and "Hourly Compensation Costs for Production Workers in Manufacturing Industries, United States, 1975-1988," USDOL, BLS OPT, April 1990. Updated to 1989 using the same sources as for Canada (see note 1).

#### D. Nationalism and Labor's Political Mobilization in Canada

In the middle 1970s, the contrast between the political position of U.S. and Canadian labor had become quite pronounced. By this point, unions in Canada represented a considerably higher proportion of workers than in the U.S. In the manufacturing sector, the decentralization of production to rural areas and the south in the U.S. threatened even the strongest unions and required the expenditure of considerable resources and attention to maintain intra-industry levels of union coverage (see chapter 5). In Canada, variations in inter-provincial union density remained much smaller than inter-state variations in the U.S. (Meltz 1989). Perhaps more important, decentralizing production to more anti-union areas outside Ontario and Quebec would have involved moving it larger distances and to smaller markets than decentralizing it from Michigan to the South in the U.S. As a result, 90 percent of Canadian auto production remained in Ontario.

Outside manufacturing, both labor movements had little success organizing the service sector. They did organize large numbers of public sector workers.<sup>101</sup> In Canada, with its larger public sector, this provided more of a boost to

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<sup>101</sup> For a detailed analysis of U.S. and Canadian union coverage from the 1970s to mid-1980s, by industry, occupation, union, sex and other variables, see Troy 1989. On the limited success of Canadian unions in the service sector, see Forrest 1988.

overall union coverage. The emergence of public sector unions also reinforced the militant character of the Canadian labor movement. Canadian public sector workers emphasized politics in part because of their dependence on the government budget. Their militance and politicized character compared to U.S. public sector unions reflected the historical differences in the Canadian and U.S. labor movement and was both cause and effect of their superior bargaining and strike rights. The character of public sector unions in Canada also stemmed from broader political currents, especially the emergence of left nationalism in Quebec in the 1960s.

In the 1960s, the strength of the Canadian labor movement compared to its U.S. neighbor found its expression in public policy as well as levels of union coverage and income distribution (Torczyner 1987). Canada established a national health care system beginning in 1968. Public spending on schools, universities and colleges increased. Unemployment insurance eligibility and benefit levels were made more generous than the U.S. The decade also saw the introduction of Canada and Quebec Pension Plans and the Canada Assistance Program (which provided an umbrella for various social assistance programs). Social spending rose from 30 to 38 percent of government expenditures between 1962 and 1976 (Torczyner 1987, 209).

The position of Canadian labor by the mid-1970s also reflected the fact that the political struggles of the



1960s and early 1970s strengthened the Canadian progressive coalition rather than producing re-Gomperization. As in the UAW, Canadian labor as a whole did not have to deal with the racial split which fragmented the U.S. progressive coalition. It was largely spared the rift with other progressive forces that the U.S. labor movement suffered in the Vietnam War because of its anti-communism and support for conservative U.S. foreign policy. Major tension did emerge in Canada around 1970 between, on one side, regional leaders of Canadian branches within international unions; and a coalition of national unions, nationalist elements within international unions, and their left nationalist progressive allies. Left nationalism in English Canada was fueled by two currents: opposition to U.S. foreign policy and military actions; and concern about the dependence on U.S. investment and corporations produced by the first 20-30 years of postwar expansion (Laxer 1975; Phillips and Watson 1984). U.S. trade and tax policy actions perceived as insensitive by Canadians gave concerns about Canada's branch-plant economy a broader public resonance. In the UAW and elsewhere, calls for a more autonomous Canadian development strategy dovetailed with rank-and-file demands for greater Canadian autonomy within international unions.

In the early 1970s, the international unions retained the balance of power in disputes within the Canadian progressive coalition. Dennis McDermott himself led the successful effort of the international unions to kick the

left nationalist Waffle faction out of the NDP (Yates 1988, 430 fwd.). This conflict did not produce permanent divisions, however. In part because the McCarthy era had not severed Canadian labor's links with the radical and intellectual left, the Waffle and nationalist opposition within unions met with less incomprehension than black militants and other radicals in the U.S. As the 1970s progressed, and the expansion of Canadian-based public sector unions continued, international union leaders recognized the need to respond to demands for greater Canadian autonomy within international unions and for an attempt to chart an alternative to Canada's dependent development path.

As in the UAW, therefore, debates around questions raised by Canadian nationalists produced a more unified labor movement. Moreover, as suggested by the comments of a delegate to the 1974 CLC convention, the Canadian labor movement began to see itself more clearly as a defender of Canadian national identity:

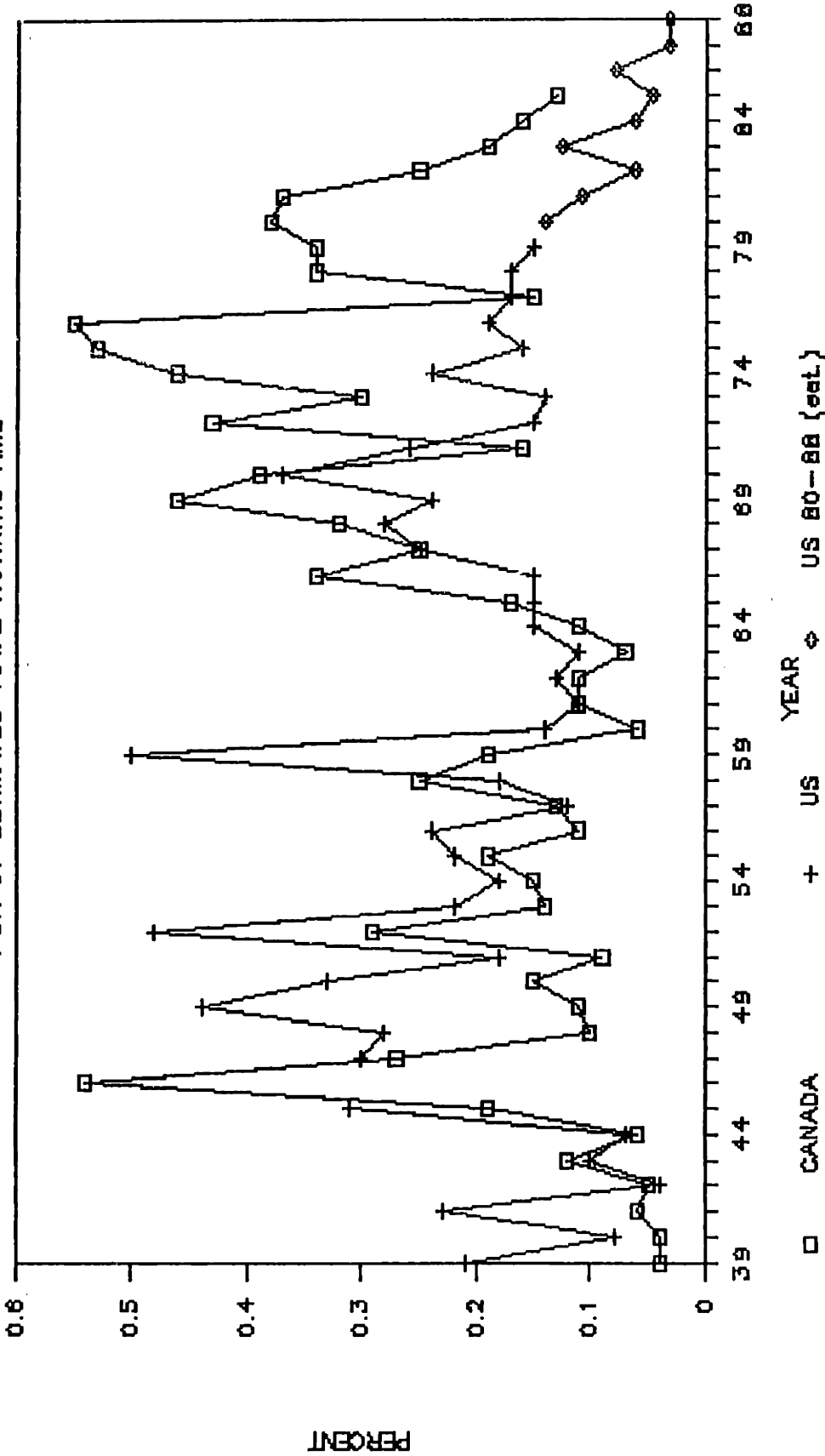
The Ford Motor Company is not going to fight to preserve the independence of Canada. The Shell Oil Company isn't going to do that. The one force in Canada that will struggle to keep Canada independent and to preserve Canada is the working people. The trade union movement, of course, is the key in that struggle. That's why there has to be, in my opinion, and in the opinion of my local, an independent Canadian trade union movement (quoted in Laxer 1975, 140).

The events of the second half of the 1970s reinforced the unity of Canada's labor movement and its central place

in Canada's progressive coalition. During this period, the labor movement mobilized against government wage guidelines sought by the Liberal government to control inflation. Only Italy lost a higher proportion of work days to strikes than Canada in the second half of the 1970s (figure 4.1). In its attempts to control inflation, the Canadian federal government initially sought labor movement agreement to the need for wage restraint. In labor's view, however, inflation had eaten into workers' real wages in the early years of the 1970s and the government showed little inclination to control prices (Laxer 1975). Thus in 1975, the labor movement vowed to fight against wage controls. The UAW played a leading role in this fight. In 1976, it defied the government's controls by maintaining its hard-won parity with U.S. workers. It also played a central role in a 1976 "National Day of Protest" when over a million workers demonstrated against wage controls in Ottawa. Within the UAW, the mobilization against wage controls helped reinforce the ties between national and secondary leaders, and, at least for its activist cadre, reproduce the UAW's collective identity.

Economically, the mobilization against wage controls combined with the strength of Canadian public sector workers to prevent a gap from emerging in the earnings of auto and other workers. Within manufacturing, between 1970 and 1978, auto worker earnings in Canada actually fell from 22.6 percent above the manufacturing average to 17.8

FIG. 4-1: TIME LOST DUE TO WK STOPPAGES  
PCT. OF ESTIMATED TOTAL WORKING TIME



NOTE: U.S. lost time of 1.04 percent in 1946 not shown.  
 SOURCES: USDOL 1989, BLS Bulletin 2340; USDOL 1980, BLS Bulletin 2070; Strikes and Lockouts in Canada 1975 and 1985. Estimates for 1980-88 in the U.S. based on figures for strikes involving 1000+ workers and the fact that these accounted for 64 percent of lost time in 1970 through 1979.

percent above (they fell to 15.6 percent above in 1979) (table 4.1). Rather than perceiving auto worker wages to come at their expense, this encouraged workers with weak unions to see the UAW as a pattern-setter the gains of which helped them achieve their goals.

Labor's strength and ties with other progressive elements in Canadian politics also produced public policy gains in the second half of the 1970s. Thus, in the same period as labor law reform went down to defeat in the U.S., Ontario legislated the Rand formula for the first time. This legislative victory grew out of a series of bitter strikes for union security. In the most publicized of these, a plant of 140 low wage, predominantly female employees at Fleck auto parts struck for 163 days in 1978.<sup>102</sup> The union perceived the owner's refusal to accept the Rand formula as a prelude to an effort to pressure a majority of workers into not paying dues and then decertifying the union. To prevent management from using strike replacement and intimidating its workers into a return to work, the UAW shipped busloads of "young, brawny" workers from several locals, including Budd-Kitchener (White 1987). Its actions plus the owner's ties to the provincial Premier and the questionable use of police on picket lines swung public sympathy in favor of the strikers. Public sympathy and White's implicit threat to

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<sup>102</sup> This account of the Fleck strike is based on White 1987, 134-141, and Yates 1988, 423-426.

withdraw from fledgling provincial tri-partite initiatives on economic policy and productivity questions helped pave the way for legislation of the Rand formula after the strike (Yates 1988). The union's handling of the strike and the character of the Fleck workforce also strengthened the union's ties to the women's movement.

Canadian labor achieved improvements in the area of health and safety as well in the second half of the 1970s. In Ontario, individual workers gained the right to refuse unsafe work--the first exception to the prohibition on mid-contract work stoppages in the province (Walters 1983; Yates 1988, 420-425). While U.S. unions tended to be wary that legislation protecting individual rights might make workers' see unions as unnecessary, Canadian unions more generally saw such individual rights as potential organizing tools.<sup>103</sup> Unions could now argue to non-union workers that only collective organization would make their legislative rights enforceable.

In economic policy, in response to NDP and Liberal nationalism, the federal government took steps towards developing a more autonomous development strategy in the last few years of the 1970s. It supported several "mega-projects" designed to ensure that Canada gained the benefits from its rich resource energy base. It also established formal review of foreign investment in Canada.

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<sup>103</sup> On the U.S. union perspective, see Heckscher 1988. On the Canadian, see Adams 1985.

In summary, the 1970s witnessed a consolidation of the labor movement's place in Canadian society. Through its defense of the low paid, women and Quebec workers, the UAW and the labor movement sustained their traditional position as the defender of society's vulnerable. Through their incorporation of left nationalist currents and support for a more independent course of development they established a new identity as the defender of Canada's social and cultural differences with the U.S. In politics, unions in Canada strengthened their institutional ties to the NDP and their formal influence over the party executive (Yates 1988). In their mobilization against wage controls and smaller-scale actions at the provincial level, the UAW and other unions also revived traditions of direct labor participation in politics that had been somewhat dormant in the 1950s and the 1960s. This political action simultaneously established links between labor's institutional leaders and a new generation of left-wing intellectual activists and secondary leaders within the union (Gindin 1988, 29).

CHAPTER 5. THE FIRST ECONOMIC CHALLENGE TO THE POSTWAR  
STRUCTURE: THE DECENTRALIZATION OF PRODUCTION

The previous chapter traced the evolution of auto industry shop floor relations, internal UAW dynamics, and politics in the U.S. and Canada through the late 1970s. This chapter tells the story of the the independent parts (IPS) sector of the industry, the final piece of the postwar auto sector pattern of development necessary to understand why the U.S. has moved towards a segmented pattern in the 1980s and why prospects in Canada remain more ambiguous. During the postwar period, the UAW sought to diffuse the major compensation terms of the Big Three agreement to the IPS sector one company or one plant at a time. As the industry expanded in the decade after World War II, this decentralized process won parts locals economic terms close to and sometimes better than those at the largest automakers. After this, however, a multitude of factors eroded supplier employment in the North Central U.S. As they did, contract gains in the fragile periphery of the U.S. auto connective bargaining structure lagged progressively further behind the Big Three.

The concession demands faced by established suppliers because of employment shrinkage, their employers' declining profits, and low wage contracts signed with new plants away from centers of UAW strength led major parts locals in the 1960s to pressure the union leadership into creating an IPS



Council and Department.<sup>104</sup> IPS activists advocated that the UAW more militantly resist "inferior" agreements to prevent the reinsertion of wages and benefits into competition. They also wanted multi-company benefit programs established to cushion the impact of employment loss and thus stiffen resistance to wage and benefit cuts in parts locals. To achieve these goals, they argued for a union attempt to centralize IPS bargaining; and for the UAW to use its leverage with the Big Three to force the assemblers to both restrict outsourcing to plants with substandard agreements and finance parts sector benefit programs. In the end, however, effective measures to limit parts sector wage competition were never established.

In terms of understanding the origins of the emergent auto industry segmented pattern of development in the U.S. today, the fact of the breakdown of pattern bargaining is one important lesson of this chapter. The way the union responded to the erosion of the pattern in parts firms provides other important insights into developments since 1980 in the U.S. and Canada. This response illustrates the limits of rank-and-file influence on union policy in the postwar period; and, more generally, the way the union structure and collective bargaining process that grew up together after the war narrowed the union's adaptability

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<sup>104</sup> The IPS in the Council and Department created within the union stands for "Independents, Parts and Suppliers". The text will use IPS to stand for both this and "independent parts suppliers."

once the economic conditions that produced the postwar pattern of development began to collapse.<sup>105</sup>

With regard to rank-and-file capacity to pressure the leadership, despite internal union organizing efforts by parts sector activists beginning in the late 1950s, shoring up pattern bargaining never became one of the UAW's central priorities. Divided into numerous, often small and isolated locals, parts workers faced an even tougher time organizing within the union than shop floor militants at the Big Three. The organization of the union into company Departments and the tri-annual bargaining process also reinforced the attention of the union on the Big Three and the corollary political weakness of the independent parts workers.

The way union structure and the postwar collective bargaining process narrowed the UAW's responsiveness to new challenges stands out more clearly when one compares the UAW's IPS response to its reaction to GM's own "Southern Strategy". GM's attempt to establish non-union assembly beachheads in the south endangered what UAW leaders thought of as the heart of the postwar regulatory structure. So in

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<sup>105</sup> To argue that the UAW's internal structure hampered its response to the unravelling of wage regulation in the parts sector is not to make the unprovable assertion that it had the power to prevent this. Undoubtedly, the attitudes and power of U.S. employers and the U.S. political and legal context provide much of the explanation for this decay. Moreover, the continued existence (and, in the 1970s, rapid rise) of non-union production meant that, unlike the assembly sector, more militant actions at parts plants ran the risk of accelerating the shift away from organized plants.

1976 negotiations, union leaders threatened to stage selective strikes unless the company agreed to remain neutral in representation campaigns at southern facilities. This example and the response to GMAD's aggressiveness described in chapter four demonstrate the UAW's willingness to use its economic leverage on questions other than wages and benefits; but only when the major assemblers challenged the UAW in a much more direct way than did the gradual unravelling of pattern bargaining.

The process by which UAW leaders decided for and against the nationally-orchestrated use of economic leverage at the Big Three and in IPS firms also illustrates how, over time, the U.S. union's centralized structure weakened its collective confidence and militance. In Canada, even after the Administration Caucus gained control of the District Council, the Council remained

a place...where the world of the union's activists was expanded; it was a forum for hearing militant orators and developing your own ability and confidence to speak; it was where local frustrations were translated into collective anger and where collective anger was translated into concrete mobilizing decisions (Gindin 1988).

In the U.S., company councils were a poor substitute for the national, cross-cutting Canadian Council. Decisions to use strategic militance depended more exclusively on the confidence and creativity of a small number of members of the old guard that rose up the ranks with Walter Reuther. Thus, even when militance achieved its goal, it did not as

effectively generate unity or pass on confidence in workers' collective power to the second generation of UAW activists and leaders.

The final section of this chapter documents that, from the 1960s forward, suppliers in Canada faced a different economic and political context. Auto Pact safeguards, Canadian labor laws, and Canada's more compressed overall income distribution meant that auto sector wage dispersion and the non-union share of Ontario parts production grew little in the second half of the 1970s. When Canadian IPS workers did face more severe economic pressure starting in 1980, the Canadian leadership mobilized to resist concessions and plant closures (see chapter 7). In part, its prompt and militant response reflected that fact that the Canadian Council, and semi-annual IPS Council meetings, gave Canadian parts workers a more powerful voice within the union. Even so, the internal politics of the Canadian union remains focused on the Big Three and the ritualistic tri-annual bargaining of the past 40 years. The adequacy of its response to the limits of the pattern bargaining approach to wage regulation in small firms remains uncertain (see chapter 12, sections B and D).

#### A. The U.S. Independent Parts Supplier Sector

The UAW Constitution provides for the creation of a variety of institutions to help contain wage and work standard competition in the parts industry. Foremost among

these are the union's rank-and-file elected bargaining councils within multi-plant companies. After the war, the union established such intra-company councils at many major independent parts companies as well as at the Big Three. The union also gave the "Competitive Shops Department" authority to call National and Regional Wage-Hour Conferences upon the written request of at least two local unions. These were

for the purposes of facilitating a discussion of problems related to wages, hours, production standards and other conditions of work within a competitive or allied group; and to assist in the establishment of uniform contractual provisions within the industry (Article 20, 43, 1940 Constitution).

When conferences proved inadequate in meeting the problem of organizing the unorganized or establishing uniform standards among competing plants, the constitution provided for the establishment of National and Regional Wage-Hour Councils to standardize conditions in their industry and "to strive to get a single agreement covering their industry nationally" (Article 22, 54, 1949 Constitution). Under these provisions by 1953, 16 different councils had been established, including Foundry, Forge, Battery, and Bearing, and Piston Ring Councils (UAW PR 1953, 159). Some of these councils overlapped Big Three and independent plants.<sup>106</sup>

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<sup>106</sup> In 1986, the Die Cast and Plastics Council consisted of predominantly GM locals and two Doehler-Jarvis locals. UAW PR 1986, Part II, 43.

For the most part, the constitutional machinery for containing whipsawing does not appear to have played a central role in 1940s and 1950s IPS bargaining. The company councils and departments that they spawned at Solidarity House did coordinate efforts to establish national master contracts at large suppliers. UAW demands for multiplant bargaining helped cause four of the 13 longer-than-two-day strikes between 1950 and 1959 in the 37 Detroit-area auto parts firms studied by Alexander (1961, 28). The regional and industry councils provided for in the constitution did not play a sufficiently prominent role to earn mention in Alexander's paper or the other major study of parts bargaining between 1945 and 1958 (Levinson 1961).

In part, the continued reliance on plant-by-plant or company-by-company bargaining reflected its success in the decade after the war. In the 1940s, many independent plants won contracts superior to the Big Three (Levinson 1961, 297, footnote three). Repressed war-time demand for cars translated into an industry boom and huge backlogs in customer orders. Assembly companies could not build capacity fast enough to satisfy this demand and would sometimes pay premium prices for key parts (White 1967). In addition, the worker-paced technologies and autocratic managerial approaches in independent suppliers often proved conducive to the creation of militant local unions (see chapter eight on Budd-Detroit). The vulnerability of the

Big Three to shutdowns at suppliers also made management at independent firms willing to concede to the threat or fact of strikes; and sometimes led the Big Three to pressure managers at their suppliers to settle disputes quickly. When the union did depart from the pattern in the decade after the war, it usually did so at small firms where pattern settlements might jeopardize plant survival and where concessions would be less likely to prompt "me too" demands at other firms. The UAW also sought to avoid subsidizing "inefficient" firms where financial difficulties stemmed from poor management.

In their relations with large suppliers in the decade after the war, the major automakers took two actions to reduce their vulnerability to supplier plant work stoppages (Alexander 1961). They adhered more rigidly to multiple sourcing. Where capital intensity made dependence on one or a few suppliers inescapable, the automakers vertically integrated. Pattern settlements, however, remained the rule in auto-related production until 1955. Levinson (1961) found that in 1946-1949, 66 percent of 47 Detroit-area auto-related firms he surveyed followed the "exact pattern"--defined as the major changes in wage-fringe benefits negotiated by the "key" Big Three bargain. Eleven percent received above pattern settlements and four percent "equivalent pattern" settlements. From 1950-1955, 15 percent received above pattern; 28 percent exact pattern; and 19 percent equivalent pattern. In 1950-1955, these

three categories covered 82 percent of the employment in these firms (although only 43 percent of those in agreements covering less than 500 employees.) In the 1955 bargaining round, Alexander (1961) found that 29 of 37 Detroit-area bargaining units obtained pattern settlements--defined as the approximate man-hour cost to the Big Three of their total package.

The fortunes of independent supplier workers changed dramatically for the worse in the late 1950s recession. The recession brought a temporary drop in auto employment of almost 40 percent between 1955 and 1958. It also signalled a more permanent deterioration in the economic position of suppliers. In the recession, major Big Three locals encouraged the automakers to make more of their own parts.<sup>107</sup> The new Supplementary Unemployment Benefit won by the UAW at the major assemblers increased the economic incentive to bring work back in-house during this and later recessions. SUB required the employer to supplement unemployment benefits so that layed off workers received 65 percent (and, after 1967, 95 percent) of their regular salary. Around this time, the automakers also increased the price pressure on supplier firms. They refused to allow price increases for "annual improvement factor" wage increases (Alexander 1961, 25). GM also began visiting suppliers and demanding a share of the gains resulting from

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<sup>107</sup> Letter by Harold MacGregor, Michigan AFL-CIO News: Local 306 Edition, 8/18/60.



shortcuts not included in the original bid (interview with George Merrelli, 3/89).

The decline of the less-vertically-integrated small assemblers, culminating with Studebaker's collapse in 1963, also reduced market share for independent supplier firms. At the surviving assemblers, vertical integration continued in a wide variety of chassis, body and engine parts previously produced by outside sources. Keeping work in-house represented one way to maintain or increase volume in recession and as industry trend growth decelerated. Big Three components plants may have been cheaper in some cases as the automakers modernized more rapidly than their more capital-starved suppliers. The militance of supplier locals relative to GM's own plants may also have encouraged the biggest automaker to reduce outsourcing. Sixteen of Alexander's 37 auto supplier firms witnessed the commencement or expansion of auto-company production of their respective parts in the years before 1958. Increasingly, outside suppliers were left with the production of only low volume parts.

Financial pressure on parts firms, in turn, accelerated the decentralization of production to rural areas in Michigan and surrounding states (table 5-1). Alexander also notes that price pressure and uncertainty discouraged suppliers from capital investment. Thus, even in the late 1950s in some segments of the industry, the fact that pattern bargaining did not impose standard terms

**TABLE 5.1**  
**GEOGRAPHIC AND FIRM SIZE PROFILE OF THE**  
**U.S. AUTO PARTS INDUSTRY, 1950-1983**

**(a) Employment (thousands)**

|                  | 1950 | 1957 | 1963 | 1969 | 1974 | 1983 |
|------------------|------|------|------|------|------|------|
| North Central    | 260  | 176  | 141  | 163  | 168  | 97   |
| South            |      |      | 16   | 26   | 37   | 49   |
| Northeast        | 47   | 44   | 26   | 34   | 30   | 18   |
| 50-249           |      |      |      |      |      | 56   |
| 250-499          |      |      |      |      |      | 43   |
| 50-499 Workers   |      |      | 71   | 97   | 100  | 99   |
| 100-499          |      | 50   |      |      |      |      |
| 500-999 Workers  |      | 35   | 35   | 45   | 60   |      |
| 500+ Workers     |      |      |      |      |      | 72   |
| 1000+ Workers    |      | 141  | 81   | 85   | 83   |      |
| Metropolitican   |      |      | 137  | 156  | 142  | 103  |
| Non-Metropolitan |      |      | 49   | 71   | 100  | 68   |
| Total            | 318  | 226  | 187  | 227  | 242  | 171  |

**(b) Employment Shares (percent)**

|                  | 1950 | 1957 | 1963 | 1969 | 1974 | 1983 |
|------------------|------|------|------|------|------|------|
| North Central    | 82   | 78   | 76   | 72   | 70   | 57   |
| South            |      | <3   | 9    | 11   | 15   | 29   |
| Northeast        | 15   | 19   | 14   | 15   | 12   | 11   |
| 50-249           |      |      |      |      |      | 33   |
| 250-499          |      |      |      |      |      | 25   |
| 50-499 Workers   |      |      | 38   | 43   | 41   | 58   |
| 100-499          |      | 22   |      |      |      |      |
| 500-999 Workers  |      | 15   | 19   | 20   | 25   |      |
| 500+ Workers     |      |      |      |      |      | 42   |
| 1000+ Workers    |      | 63   | 43   | 38   | 34   |      |
| Metropolitican   |      |      | 74   | 69   | 59   | 60   |
| Non-Metropolitan |      |      | 26   | 31   | 41   | 40   |

**NOTES:**

1. Sources: USDOL, BLS Bulletins 1015, 1393, 1679, 1912, 2223; BLS Report 128.
2. The Industry Wage Surveys from which this data come are not comprehensive and therefore the absolute employment numbers shown are not estimates of the size of the industry.
3. The sample of establishments surveyed all employed more than 100 employees in 1957; and more than 50 in other years.
4. In 1950 and 1957, some assembler operations that primarily supplied the external market are included in the employment numbers here. Beginning in 1963, employment numbers here refer exclusively to independent parts firms.
5. In 1957, "the South and West together accounted for less than 3 percent of total employment" (USDOL 1958, BLS Report 128, 15). In 1950, the "Great Lakes" region accounted for all but 47 of 325 establishments (86 percent) according to USDOL 1951, BLS Bulletin 1015, 11.

on all firms, and the absence of technical and financial support for smaller suppliers combined to reinforce wage competition and discourage more productivity-enhancing strategies. At suppliers that did keep up technologically, automation reduced employment and weakened local unions' bargaining position anyway.

The late 1950s revealed just how fragile pattern bargaining actually was. Fifty-two percent of the Detroit-area auto parts firms studied by Levinson (1961)--representing 55 percent of the employees--negotiated below pattern settlements between 1955 and 1958. Compared with the 29 in 1955, only 13 of the 37 firms studied by Alexander (1961) followed the pattern in 1958. In six of these 37 cases the union negotiated cuts in existing benefits. Economic restraints on pattern bargaining proved particularly severe in labor-intensive segments competing with small, non-union shops. Thus, 10 of Alexander's 11 plants producing interior body parts (trim, seats) and in competition with low-paying textile firms, deviated from pattern in 1958, compared with five of 11 in 1955 (Alexander 1961, 24). More aggregate data show that, before 1957, the supplier (including non-union firms) to assembler wage ratio held constant at about 95 percent. After that, IPS relative wages about one percent per year (table 5.2). Since unionization in parts remained above 80 percent in 1974, wage variation until that date appears to have been primarily the result of increasing wage variation

TABLE 5.2: WAGES OF AUTO PARTS WORKERS: 1950-88

## (a) Based on BLS Industry Wage Surveys: Pct of Assembler Wages

|                 | 1950 | 1957 | 1963 | 1969 | 1974 | 1983 |
|-----------------|------|------|------|------|------|------|
| U.S. as a whole | 96   | 95   | 89   | 85   | 80   | 69   |
| North Central   | 98   | 96   | 92   | 89   | 85   | 75   |
| South           |      |      | 63   | 63   | 62   | 55   |
| Northeast       | 92   | 94   | 89   | 86   | 80   | 70   |
| Union           |      |      |      |      |      | 77   |
| Non-union       |      |      |      |      |      | 57   |
| North Central:  |      |      |      |      |      |      |
| Union           |      |      |      |      |      | 80   |
| Non-Union       |      |      |      |      |      | 63   |
| South           |      |      |      |      |      |      |
| Union           |      |      |      |      |      | 58   |
| Non-Union       |      |      |      |      |      | 54   |

## (b) By 4-digit SIC Code Based on the BLS Establishment Survey

|      | MV Assembly Wages in Auto Parts SIC Codes: Percent of 3711 Wages (SIC 3711) |                    |                      |                       |                           |                   |                     |
|------|---|--------------------|----------------------|-----------------------|---------------------------|-------------------|---------------------|
|      | Wages in \$1989   | 3465 Auto Stamping | 3714 MV Pts& Access. | 3713 Truck&Bus Bodies | 3694 Eng. Elec. Equipment | 2396 Auto Apparel | 3715 Truck Trailers |
| 1958 | 11.33   |                    | 95                   |                       | 86                        |                   |                     |
| 1959 | 11.93   |                    | 96                   |                       | 85                        |                   |                     |
| 1960 | 12.19   |                    | 95                   |                       | 85                        |                   |                     |
| 1961 | 12.32   |                    | 95                   |                       | 86                        |                   |                     |
| 1962 | 12.73   |                    | 95                   |                       | 87                        |                   |                     |
| 1963 | 13.05   |                    | 95                   |                       | 85                        |                   |                     |
| 1964 | 13.28   |                    | 96                   |                       | 85                        |                   | 78                  |
| 1965 | 13.58   |                    | 97                   |                       | 85                        |                   | 78                  |
| 1966 | 13.59   |                    | 97                   |                       | 85                        |                   | 77                  |
| 1967 | 13.59   |                    | 96                   |                       | 85                        |                   | 76                  |
| 1968 | 14.32   |                    | 97                   |                       | 84                        |                   | 73                  |
| 1969 | 14.29   |                    | 97                   |                       | 82                        |                   | 72                  |
| 1970 | 14.13   |                    | 94                   |                       | 81                        |                   | 75                  |
| 1971 | 15.16   |                    | 94                   |                       | 81                        |                   | 73                  |
| 1972 | 15.87   | 98                 | 95                   | 87                    | 83                        | 87                | 70                  |
| 1973 | 15.92   | 96                 | 95                   | 84                    | 85                        | 86                | 69                  |
| 1974 | 15.67   | 94                 | 93                   | 79                    | 86                        | 87                | 69                  |
| 1975 | 15.72   | 96                 | 93                   | 77                    | 86                        | 87                | 69                  |
| 1976 | 16.24   | 99                 | 93                   | 78                    | 84                        | 87                | 67                  |
| 1977 | 16.82   | 99                 | 95                   | 78                    | 88                        | 83                | 65                  |
| 1978 | 17.08   | 98                 | 94                   | 77                    | 87                        | 83                | 63                  |
| 1979 | 16.64   | 97                 | 91                   | 74                    | 83                        | 79                | 63                  |
| 1980 | 16.25   | 96                 | 87                   | 75                    | 83                        | 77                | 63                  |
| 1981 | 16.77   | 93                 | 84                   | 72                    | 79                        | 79                | 61                  |
| 1982 | 16.72   | 89                 | 84                   | 70                    | 74                        | 81                | 61                  |
| 1983 | 16.63   | 91                 | 87                   | 67                    | 75                        | 78                | 64                  |
| 1984 | 16.85   | 91                 | 86                   | 70                    | 75                        | 73                | 63                  |
| 1985 | 17.07   | 92                 | 86                   | 72                    | 74                        | 73                | 63                  |
| 1986 | 16.96   | 91                 | 85                   | 73                    | 74                        | 75                | 64                  |
| 1987 | 16.73   | 89                 | 83                   | 75                    | 73                        | 72                | 61                  |
| 1988 | 16.87   | 87                 | 81                   | 73                    | 71                        | 71                | 57                  |

## NOTES:

1. (a) Compiled from USDOL, BLS Bulletins 1015, 1393, 1679, 1912, 2223; BLS Report 128.
2. Assemblers in (a) means all car assemblers in 1950 and the Big Four (Ford, GM, Chrysler and AMC) in succeeding years.
3. In 1950 and 1957, some assembler operations that primarily supplied the external market are included in computing average parts wages here. Beginning in 1963, average wages here are exclusively for independent parts firms.
4. (b) compiled from wage data in USDOL 1985, BLS Bulletin 1312-12 and USDOL 1989. Keep in mind that the non-assembly SIC codes include some Big Three workers.
5. 3711 wages in (b) inflated to 1989 dollars using the CPI.

among organized firms, not a rise in non-union market share (table 5.3).<sup>108</sup>

As competition intensified, parts plant local unions began to express concerns about the impact of industry restructuring and automation on parts workers. On September 15, 1959, the Budd-Detroit Local 306 Executive Board wrote a "Program for Greater Job Security" demanding industry-wide portable pensions, an industry-wide Supplementary Unemployment Benefit pool and preferential hiring at other UAW plants for displaced UAW workers. By 1962, parts plant activists began arguing for a "national parts council" to help deal with wage and work standard whipsawing among independent parts producers. Parts activists also called for the IEB to hold a "national parts conference to discuss the problems of the workers in the auto parts industry."<sup>109</sup> At the 1962 constitutional convention in Atlantic City, Reuther promised to call a national conference of parts supplier locals. This took place on January 10-11, 1963.<sup>110</sup>

The Studebaker closing before Christmas in 1963 provided advocates of a parts council with a way of

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<sup>108</sup> The gap in total compensation between parts firms and the Big Three would probably exceed that for wages alone since parts companies often had more trouble winning equal benefits than wages.

<sup>109</sup> Resolution adopted by the Membership of Local 306, March 18, 1962. This resolution also included the more controversial demand that auto parts workers have the right to transfer with work brought back into the Big Three.

<sup>110</sup> Erwin Baur, President's Column, the Voice of Local 306, December 1963.

TABLE 5.3

## UNION COVERAGE IN THE U.S. AUTO PARTS INDUSTRY

## (a) Estimates for Independent Parts Firms in BLS Industry Wage Surveys

|               | 1950 | 1957 | 1963 | 1969  | 1974  | 1983 |
|---------------|------|------|------|-------|-------|------|
| Entire U.S.   |      | 95   | 82   | 80-84 | 80-84 | 58   |
| North Central |      |      | 86   | 80-84 | 85-89 | 74   |
| South         |      |      | 36   | 50-54 | 50-54 | 21   |
| Northeast     |      |      | 87   | 80-84 | 85-89 | 88   |
| West          |      |      |      |       |       | 22   |

## (b) Estimates Using UAW Membership Data and SIC Employment Figures

|                                  | 1976-78 | 1979-81 | 1982-84 | 1985-86 | 1987-88 |
|----------------------------------|---------|---------|---------|---------|---------|
| Including Big Three Parts Plants | 82      | 75      | 68      | 62      | 58      |
| Non-Big Three Parts Plants       | 59      | 46      | 37      | 30      | 24      |

## (c) Estimates Using the Current Population Survey

## (i) For the Auto Sector as a Whole (including assembly plants)

|             | 1983 | 1984 | 1985 | 1986 |
|-------------|------|------|------|------|
| Entire U.S. | 69   | 67   | 66   | 63   |
| Northeast   | 74   | 68   | 68   | 64   |
| Midwest     | 76   | 76   | 74   | 71   |
| South       | 51   | 41   | 45   | 42   |
| West        | 25   | 31   | 35   | 36   |

## (ii) Industry Net of Auto Assembly (i.e. auto parts including Big Three components plants)

|             | 1983 | 1986 |
|-------------|------|------|
| Entire U.S. | 57   | 45   |

## NOTES

1. Sources: USDOL, BLS Bulletins 1015, 1393, 1679, 1912, 2223; BLS Report 128; CPS, March, 1983-86.
2. BLS Industry Wage Surveys (IWSs) overrepresent larger firms and thus overestimate union coverage.
3. In 1950, 287 of 325 establishments (12 percent) in the sample population (and 233 of 256 surveyed) were unionized.
4. The absolute levels of coverage in (b) depend on the number of SIC codes used to construct the denominator (UAW membership being the numerator). Four-digit SIC codes were included based on descriptive criteria and to give reasonable agreement with the BLS IWS and the CPS surveys. The absolute numbers shown are much lower than the IWS estimate for the period 1982-84; but much higher than the CPS estimate net of auto assembly for 1986. Since UAW membership does not fall immediately when workers are layed off but employment as recorded in the BLS Establishment Survey does, the estimates in (b) tend to be spuriously high at the beginning of recessions. Taking averages over several years reduces the impact of this effect.
5. The data in (c) are for all employees who report working in the auto industry, excluding managers and professionals.

dramatizing their cause. When Studebaker closed on December 10, 6000 workers lost their jobs. Four thousand, four hundred workers under the age of 60, and with up to 40 years of service, were left with no supplementary unemployment benefit, no pension and no severance pay.<sup>111</sup> Parts workers at Budd and other companies saw this as an illustration of the social costs imposed on workers and communities by the actions of the largest automakers. When industry concentration drove small, independent carmakers into the ground, workers stood to lose their negotiated benefits. Workers in parts companies faced the same possibility when the Big Three brought work back in house. If IPS firms more fully insured their workers against the greater cyclicalities in parts, they would be at a competitive disadvantage.

Part of the solution, as parts workers saw it, was to have the large companies pay for the consequences of their investment and sourcing decisions. National pensions and SUB plans should be funded by sliding scale contributions based on the size of the employer. Budd Local 306 also modified its earlier program by calling for a national UAW Independent Parts Supplier Department to supplement the proposed council of delegates from throughout the country. These demands, along with a call for a regional and national industry hiring pool, were adopted as part of a

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<sup>111</sup> Erwin Baur, Voice of Local 306, 3/11/64.

"Program for Workers and Locals in Independent Auto Parts Supplier Locals" on January 19, 1964.<sup>112</sup>

In the months before a February 8 regional parts meeting and a National Small Parts Conference called on February 21, Detroit-area parts activists lobbied for their program throughout the union.<sup>113</sup> In response, the UAW Executive Board agreed in early March to establish a Parts Council after the convention that year.<sup>114</sup> At the 1964 convention, Reuther voiced support for the concept of an "International Council covering all supplier and parts plants" and promised that the IEB would create such a structure at its next meeting. The new structure, however, did not then receive (and has not since received) a constitutional basis.

With the help of Jack Wagner, President of Buick Local 599 and other GM workers, parts workers also got a version of their program incorporated into the GM bargaining

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<sup>112</sup> A modified version of this program was incorporated into a proposed resolution to the 19th CC--entitled "Program for Supplier Plants"--submitted by Local 306 and Local 818. UAW, PR to the 19th CC, 3/20/64, 62-63. Van Dorn Company Local No. 346, in Cleveland, submitted a resolution entitled "Supplier Plants Councils". This noted efforts by business to divide and "union bust" small locals and advocated that the union "authorize study and research into this grave problem which is attacking the periphery of our Union and is aimed at its very heart". It also proposed the establishment of "Independent Producer Councils." Local 376 submitted a "Small Plants Study Committee" Resolution asking the International to form a committee to study the problem of coordinating bargaining in and providing strike assistance to small plants.

<sup>113</sup> Erwin Baur, Voice of Local 306, Special UAW Convention Issue, 4/8/64.

<sup>114</sup> Erwin Baur, Voice of Local 306, 3/11/64. The 19th CC was held March 20-27, 1964 in Atlantic City.



demands presented to the company on July 9, 1964.<sup>115</sup> Phrased in general terms typical of low priority demands the union floated with the possible intention of pushing them harder in later years, the UAW proposed to set aside "an agreed upon amount of money per hour" to be allocated to a SUB and pension reinsurance program for suppliers. The union also incorporated a demand for preferential hiring at GM of former auto workers from other companies once hiring preference had first been afforded all of General Motors' own laid-off workers.

Pressure to respond to shop floor concerns within Big Three plants preoccupied the UAW leadership in bargaining in 1964. By the time resolutions were written for the May, 1966 Constitutional Convention, the structure of the UAW supplier council had not been established, procedures for electing delegates had not been defined, and the council had no permanent staff. Local 306 and Detroit Amalgamated Local 205 officials modified their earlier proposals to stress the need for staff support and an organizational structure that could help limit competition among suppliers.<sup>116</sup> They argued that, since GM had a staff of 25, supplier workers deserved a permanent staff of 20 full-time representatives. They also advocated a larger council

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<sup>115</sup> President's Column, Voice of Local 306, 8/5/64.

<sup>116</sup> In UAW, PK, 20th CC, 1966, see RC-178, "Protection for Independent Auto Parts Supplier Workers," submitted by Local 306; RC-180, "Clearing House for Regional Contracts," submitted by Local 306; and "Small Supplier Plant Council Structure," submitted by Local 205.

of elected delegates instead of the small, appointed group created two years earlier.

Reuther's speech to the 20th Constitutional Convention noted that "important steps have already been taken to meet the problems of UAW members employed by suppliers" (Proceedings, UAW 20th CC, 1966). He pointed out that the Industrial Union Department of the AFL-CIO, which he then headed, had recently established a pooled group insurance and pension program. This made these benefits available to smaller plants at reasonable cost. Its reinsurance feature reduced the danger that small plants would go out of business before accumulating funds sufficient to pay their pension obligations. Legislatively, Reuther noted the union's efforts to strengthen the Walsh-Healey Act, a "prevailing wage law" intended to restrict government subcontracting to manufacturing firms with substandard labor conditions. In the NLRB arena, the union sought to find a test case which would expand union rights to curb subcontracting to employers that had substandard conditions.

Reuther's speech incorporated the analysis of parts activists about their plight. He advocated preferential hiring on a regional cross-company basis; and laid the responsibility for parts workers' insecurity at the foot of the major companies. He also mentioned the possibility of forming a labor-management research institute which would be open to company's with UAW contracts. This would help

small companies diversify their product lines; improve managerial efficiency; and find new public and private business. After that convention, in October 1966, the IEB formally organized a rank-and-file elected IPS Council with sub-councils in each region.

The battle over the priority and resources that should be given to IPS workers continued in 1967. By this time, the opening of Canadian plants stimulated by the Auto Pact provided a new source of competition for older, U.S. plants. The 1965 to 1974 increase in foreign motor vehicle and truck imports from three to 18 percent of the market (by value) cut the combined market share of U.S. independents and Big Three component plants by 15 percent. Before the 1967 collective bargaining convention, Local 306 officer Erwin Baur argued in favor of a "bargaining alliance" between all supplier locals. He advocated a contract conference of the independent auto parts council after the Big Three pattern had been established; the reopening of all supplier contracts to establish a uniform pattern; and the enforcement of a uniform contract expiration date.<sup>117</sup> "If we are all doing it unitedly," Baur wrote, "the Big Three cannot play these companies against each other and the companies themselves will not destroy each other in the rat race."

Local 306 distributed versions of Baur's program at the UAW Small Parts Conference on April 3, 1967 and at the

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<sup>117</sup> Baur, Voice of Local 306, 3/8/1967

International Skilled Trades Conference that spring. The Skilled Trades leaflet explained,

In order to avoid a recurrence of this economic imbalance between the supplier plants and the Big Three plants, the International Union should organize supplier plants doing the same type of work into bargaining alliances with common contract expiration dates so that the Big Three cannot use whip-saw tactics, getting wheels or brakes, or other parts from one plant (working overtime) while another plant making the same product is on strike.<sup>118</sup>

Local 306 activists also argued for establishing a clearing house in the International Union to safeguard against sub-standard contracts being signed in new plants.<sup>119</sup> Local 306 and Kelsey Hayes Local 78 led efforts to get this program adopted by the union at its National Auto Parts Council and at the April 20-22, 1967 collective bargaining conference (Owens, 1967).

On the morning of the second day of that convention, a group of delegates from independent parts plants demonstrated in order to bring attention to their plight.<sup>120</sup> The resolution ratified by the convention required the Big Three Bargaining councils to try to

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<sup>118</sup> "The Plight of the Workers in the Supplier Plants," Local 306 leaflet distributed at the International Skilled Trades Conference, spring, 1967.

<sup>119</sup> Several resolutions to the Special Collective Bargaining Convention in Detroit on April 20-22, 1967 proposed prohibitions on the sourcing of parts made in substandard conditions.

<sup>120</sup> UAW, Proceedings, Special CB Convention, Cobo Hall, Detroit Michigan, 4/20-22/67, 95-96.

incorporate a "fair labor standards" clause prohibiting outsourcing to plants with substandard conditions.<sup>121</sup>

In an October 1967 Special Convention held during the 65-day 1967 Ford strike, an unidentified delegate accused the international of giving only lip service to parts plants concerns:

...the International Union...organized a council to deal with independent shops and supplier plants--are you going to in the future rather than giving us lip service on this thing, which we have been getting for the last three or four years, implement the start of a program that is needed to help the small shops rather than continually talking about the Big Three and ignoring the small ones?

By the constitutional convention in 1968, the IPS Council still had only one staff member.<sup>122</sup> For that convention, the UAW Resolutions Committee produced a five-part resolution on the parts industry. It proposed efforts to spread existing group pension, pension reinsurance and medical benefit programs; that the IPS council "continue to push for area-wide preferential hiring"; that the IPS Council "proceed with plans to form a joint labor-management research institute"; and that the union seek to strengthen the Walsh-Healey Act to eliminate bidding for government contracts based on substandard wages and conditions. The fifth part stated that the IEB

is urged to give serious consideration to the need for the establishment of a UAW Independents, Parts and Supplier Department, efficiently

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<sup>121</sup> According to Ed Osinski, Local 205, UAW, Proceedings, 21st CC, 5/4-10/68, 205.

<sup>122</sup> According to delegate Mike Senich in UAW, Proceedings, 21st CC, 5/4-10/68, 281.

staffed, to perform the function of coordinating to the fullest extent possible the collective bargaining negotiations undertaken by local unions in the parts supplier industry.<sup>123</sup>

In the convention debate over the resolution, Ed Osinski of Amalgamated Detroit Local 205 cited examples of a plant in Ohio that had signed a UAW contract for \$1 an hour less than a Detroit unit of the same company; and of another with Detroit operations that had signed a contract "way below ours" in a new Ontario plant (ibid, 285). Pressed on the matter, Reuther said that he intended to change the "urge" to "shall" in the final part of the resolution.

By the time of the 1970 Constitutional Convention, the Council had been upgraded to a Department. Among other activities, the new department coordinated organizing efforts with the UAW Organizing Department and with the regions. After a drop in the late 1950s, UAW organizing kept pace with industry restructuring until the early 1970s (see tables 5.3 and 5.4). Union coverage in the south as measured by the BLS Industry Wage Survey climbed from 36 percent in 1963 to 50-54 percent in 1969 and 1974. New members organized per year peaked in 1966/67.

In bargaining, despite the creation of the IPS Department, most of the UAW's efforts on behalf of parts workers remained in the hands of the individual company departments. Indicative of how far short of its

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<sup>123</sup> UAW RC, Report Number Two, 21st CC, 5/4-10/68, pp. 41-42.



proponents' vision of a bargaining alliance the IPS Department fell, one long-time UAW staffer in the 1980s mistakenly believed that the IPS jurisdiction included only those suppliers outside the company departments. At some of these major departments in the 1970s, UAW negotiators won "neutrality clauses" intended to stop management from campaigning against the union at greenfield sites. They also incorporated into master contracts at major suppliers corporation-specific rights to transfer with work, to portable pensions, and to preferential hiring. When the union spread transfer rights and preferential hiring to even the largest parts firms, of course, they provided far less protection than at the Big Three.

As imports grew and production decentralization accelerated in the 1970s, IPS activists continued to believe that their special problems received inadequate attention. In 1972, IPS activists organized another, larger demonstration at the constitutional convention with the surreptitious help of Regional Directors in two regions with large numbers of threatened parts plants. After this, Oskinski said:

...we had a demonstration today...this is just a start of what the small parts leadership and workers are going to start doing in conventions. These conventions have been monopolized by the Big Three...Now it's our turn to get some consideration from the International Union...I ask them to utilize its vast resources. I ask



them to utilize their knowhow, and together we can achieve victory for the small parts worker.<sup>124</sup>

John Moynahan of Amalgamated Local 195 in Windsor complained that "we have no competitive shop coordination such as our brothers have in bigger plants." Later, he added:

Our fight is your fight, and our destiny is doomed without your support. Give us your support while we are on strike by refusing to handle strike-bound goods or goods made in scab or inferior contract plants...Expand our department...Give us the support for pooled, portable pensions. Give us the assurances that if we do attain our goals we will not lose our jobs because we are no longer competitive. Give us the strength and solidarity to lobby for legislative changes to protect us from closures and relocations. Give us the right to stand and fight for what you take for granted.

Delegate Sam Meyers told a story of Bendix relocating a Long Island City plant employing 90 percent Latin American women to Mexico City just two-and-a-half years after it was organized. "I want to talk to the Big Three and the Big Four," he warned,

who feel they perhaps have security as opposed to the parts supply people who are losing their jobs all over the country. There is a rotary machine coming...Can anyone in the Big Three or Big Four guarantee that this rotary machine won't plunder the manufacturing in the United States?...Engines are going to be manufactured wherever the Big Three or Big Four can make the most money, throw all the rest of the people on unemployment, and we pay the taxes for welfare and unemployment. They get richer and our people get poorer.

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<sup>124</sup> This and the following quotes are all from, UAW, Proceedings, 23rd CC, 4/23-25/72, 299-302 or 312-315.

The same debates would be revisited in later conventions. Indeed, by the 1980s, the IPS demonstration at UAW conventions had become both a ritual and something of a joke. As with shop floor unrest, however, the 1973-1975 recession undercut organizing efforts within the union in favor of a more concerted and militant response to parts sector whipsawing. That recession and the increasing sophistication and militance of management in union certification elections also established the "new non-union model" among large manufacturing firms (Kochan, Katz and McKersie 1986). Growing managerial cognizance of the new non-union model markedly reduced the union's win rate in certification elections (table 11(b)). It also led larger suppliers with both union and non-union facilities such as the auto parts manufacturer described by Kochan and Verman (1983) to expand only the latter (see also Rogers 1989). Union coverage began a rapid decline. As this happened, it vastly complicated the issue of union response in established organized facilities. Much more than in the past, militant bargaining ran the risk of accelerating the growth of non-union market share.

In the internal battle over the creation of an IPS department, parts activists made the same arguments about the dangers of reinserting wages and work standards into competition that would later justify the 1980s Canadian anti-concessions fight. Baur, for example, argued based on the Budd-Detroit plant's 1963 exchange of minor concessions

in exchange for reinvestment that giving "relief" at supplier plants did not enhance job security but "merely downgraded working conditions".<sup>125</sup> Ultimately, he suggested, that lower wages in parts firms would threaten the Big Three (Baur, UAW 1966 CC, 184; see also Simon, Voice of Local 306, 3/20/66).

Gaining a common expiration date, forcing the pattern on smaller firms, and stemming the non-union tide would have been very difficult. Within many multi-plant suppliers, including Kelsey-Hayes, the UAW still had not achieved company-level national bargaining in the mid-1960s. One supplier labor relations specialist, speaking of the demand for common expiration, told the Detroit Free Press in 1967, "that'll be the day" (Owens 1967). Using bargaining or politics to win restrictions on automaker outsourcing to low wage or non-union suppliers and money from the Big Three to finance industry-wide supplementary unemployment insurance, pension reinsurance, preferential hiring for displaced workers might have been impossible. It would have required a union decision that the erosion of pattern bargaining and rise of non-union parts firms fundamentally threatened the union's ability to defend workers--and thus could not be tolerated.

Big Three workers, however, were more powerful politically within the union. The GM, Ford and Chrysler

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<sup>125</sup> Erwin Baur, "Plant Relief Program Proves to be Worthless," Voice of Local 306, 2/8/67; author's interview with Erwin Baur, 3/87).

company council structures helped maintain more unity in the Big Three than in the fragmented supplier sector. The UAW's historical emphasis on winning a model contract at the Big Three "target" and then spreading it, first, to the other two major automakers and only then to parts firms also mitigated against any reorientation of internal union bargaining priorities. Internal union politics created other obstacles to reorganizing parts bargaining as well. Centralization of negotiations on a product or geographical basis would have threatened the power of Regional Directors that had responsibility for parts locals bargaining and threatened the staff of the intra-company parts supplier departments in Detroit. Baur also maintains that union leaders feared they could not control the actions of "unruly" parts sector activists if the union unified and mobilized them in a campaign of strategic militance to put an end to sourcing to substandard suppliers (interview with the author, 3/88).

Locked within a set of institutional relations that they thought permanent, the union leadership was slow to recognize what was taking place in the parts sector. At least in a large-scale way, the union's IPS response never went beyond bureaucratic lobbying and company-specific (usually contractual) strikes--such as a 1980 Budd strike that helped the UAW gain recognition at the company's new Tennessee plant. Without some kind of sectoral bargaining or solidaristic wage policy, however, economic pressure and

plant dispersion maintained persistent pressure for concessions on older, organized suppliers. By the end of the 1970s, what remained of U.S. pattern bargaining in the U.S. IPS sector had very little institutional support.

The UAW's response to wage variation and non-union plants in the parts sector contrasts sharply with its response when GM began setting up non-union southern plants in the late 1960s and early 1970s. At these plants, GM organized workers into semi-autonomous teams as part of an effort to avoid the poor quality and productivity associated with shop floor dissatisfaction in unionized plants.<sup>126</sup> At GM, the UAW International perceived a threat that went to the heart of its role in the postwar structure. In response, the union demanded clauses that would enable it to unionize the southern plants. As the strike deadline approached in 1976 and all other issues had been settled, the union backed these demands with a threat to use rotating local strikes. With the memory of the havoc caused by the Apache strikes of 1973 fresh in managers minds, GM pledged to stay neutral in representation campaigns in non-union plants.<sup>127</sup> After 1976, disagreements continued about the application of the neutrality clause (see the Fraser quote in chapter 4D

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<sup>126</sup> For a history of GM's organizational development programs at union as well as non-union plants, see Landen and Carlson 1982. On early experiments with work teams, see also Cherry 1987.

<sup>127</sup> Author's phone interview with Irving Bluestone, 6/89; Katz 1985, 95.

above). In 1979, the UAW gained automatic recognition in plants with production closely related to that in organized plants. In 1982, GM agreed to recognize the union automatically without a representation election if the union produced cards demonstrating majority support. By the end of 1982, the union once again represented workers throughout GM.<sup>128</sup>

The process through which the UAW decided to exercise its power in this case and in the case of the GMAD assembly plants was subtly different, however, than that which led the Canadian union to support United Aircraft workers and to oppose wage controls. The willingness and confidence to use strategic militance depended on a small number of older union leaders that helped establish the union. Unlike actions that emerged out of debate at the Canadian Council, turning back the southern strategy did not empower and unify the union on the eve of the recession that brought Fordist regulation to an end.

#### B. The Canadian Independent Parts Supplier Sector

In the Canadian independent supplier sector, the post-Auto Pact 1965-1980 period produced significant employment growth, compared with employment stagnation in the U.S. (figure 1-1). Given the simultaneous geographic and plant

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<sup>128</sup> Phone interview with Irving Bluestone, 6/89. In 1989, GM's Delco Moraine Division built a non-union joint venture with Akebone, a Japanese brake manufacturer, in Kentucky (Howes 1989).

size redistribution taking place in the U.S., the contrast in the economic context faced by established Ontario and North Central U.S. suppliers was even greater than that suggested by overall employment trends. While decentralization of production to more rural areas did take place in Ontario in the early postwar period, production never became dispersed throughout Canada as a whole because of the absence of densely populated, easily accessible non-union strongholds.<sup>129</sup> Employment expansion and concentration combined with Canada's more compact income distribution to limit the erosion of pattern bargaining that took place in the U.S. Auto Pact expansion and the new generation of organizers it brought into the union also combined with Canada's labor law to sustain union organizing after the early 1970s (table 5-4).<sup>130</sup>

With regard to internal union dynamics, post-Auto Pact employment and the Canadian region's internal structure helped sustain solidarity among Canadian parts workers. In addition to the Canadian Council, Canadian IPS workers had their own one-day council meetings twice a year (although in Canada, IPS council now includes all workers in the

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<sup>129</sup> The concentration of the Canadian parts industry is reflected in the presence of large numbers of amalgamated locals in Canada and the 43 percent higher members/local ratio than in the U.S. In 1985, the Canadian UAW had 106 locals and 133,610 members--1260 per local. In the U.S., the UAW had 1125 locals and 994,400 members--834 per local (Troy 1989).

<sup>130</sup> Throughout the 1960s and 1970s, the Canadian region's organizing department received special mention for its successes in the President's Report to UAW Constitutional Conventions (various years).

union outside the Big Three rather than just independent parts workers). According to Sam Gindin, an Administrative Assistant to Bob White, the IPS council

saw itself as a counter-weight to the Big Three...The [Canadian] council itself, it's very much dominated by GM, Ford and Chrysler. So [the IPS], it's almost like a caucus that meets before to discuss some of its issues (interview 11/88).

The IPS meetings in Canada evolved into a forum for debating issues of particular concern to workers outside the Big Three: pension guarantees; plant closures; and the legislative protection of health and safety, workmen's compensation and other standards that are handled through collective bargaining in the Big Three. Having developed a position on such issues, IPS members would lead the Canadian Council as a whole to adopt a position and then play a central role in lobbying activities to help achieve legislative action. In the 1980s, when the Canadian parts industry faced the type of restructuring confronted in the U.S. since the late 1950s, the regional union's IPS council would combine with economic, political and other internal union features to help it contain whipsawing and enjoy a burst of organizing success among parts firms (see chapter 12). Nonetheless, the adequacy of even Canada's variant of the postwar model of wage regulation among small parts firms remained in question.



CHAPTER 6. THE 1980s: UNION RESPONSES TO RECESSION AND NEW  
MANAGERIAL STRATEGIES

Between 1979 and 1982, domestic output in the U.S. vehicle assembly sector plunged by 36 percent (in constant dollars) and import penetration (by value) climbed to over 25 percent. The recession prompted the Big Three to begin a fundamental reexamination of their operations. This, in turn, led them to increase their own "captive imports" of foreign-made small cars; to outsource more of their parts production; to restructure assembly plant relations with in-house and external component plants; and to incorporate new technology, change the organization of their managerial and professional hierarchies, and attempt a transformation of labor-management relations (Cole and Yakushiji 1984; EIC-Canada 1986).

Management demands for wage moderation and shop floor "flexibility" brought on by the recession threatened the heart of the postwar system of wage and shop floor regulation. The responses of the U.S. and Canadian UAW to these demands reflected their historically-conditioned internal structures and ideologies as well as the economic and political context they faced. These responses give us an indication of how restructuring may alter the role of the national union in each country. They also form part of the context in which plant-level reorganization has taken place in the 1980s. Thus, the analysis of national union

strategy in chapters six and seven prepare us for an exploration of its relationship to the consequences of work reorganization in our Part III case study of the Budd company.

In the U.S. in the 1980s, the economy and labor's political weakness under Reagan made UAW International leaders fear that militant strategies would backfire. Extended strikes to preserve annual real wage increases and local restrictions on management would, the U.S. leadership believed, accelerate job loss by decreasing the Big Three's market share and by provoking greater reliance on outsourcing and offshore production. Failure to act responsibly in bargaining might also reduce the possibility of passing local content legislation or industrial policy measures to protect UAW members perceived by the public as an overpaid special interest. Mobilization was ruled out in politics as well as bargaining by the weight of past practice and by fear that this too might backfire. By late 1981, a rough consensus existed at the top of the UAW International that the union should accept lower wage increases and relaxed work rules to increase job security. By 1984, this had become a consensus behind the need for permanent changes to traditional wage rules and the adoption of a more flexible and "cooperative" shop floor regime.

The earlier excision of left-wing ideology from the union eased the UAW's move towards less adversarial

relations with employers. Some U.S. leaders no longer regarded conflict between workers and employers as fundamental. Thus, the idea of expanding labor-management cooperation to achieve the mutual goal of outcompeting non-union and foreign firms for market share did not collide with their ideological commitments. These leaders also found plausible that management would develop workers' skills as part of a strategy to withstand Japanese and low-wage country competition. Whatever their ideological commitments, having ruled out confrontation on other grounds, the U.S. leadership was left with little choice but to argue that shop floor flexibility and cooperation could preserve significant numbers of high wage jobs.

Concessions and labor-management cooperation in the U.S., however, generated organized opposition to International Union actions in the secondary leadership and the ranks. Using arguments identical to those put forward by the Canadian UAW, the U.S. opposition raised questions about whether concessions and helping management improve performance would save jobs; about the possibility that work rule changes would lead to intra-union whipsawing and the erosion of working conditions; and about the danger that joint union-management programs and the logic of saving jobs by improving competitiveness would ultimately dilute the union's independence from management. Beginning in 1982, the opposition achieved a number of symbolic victories--including the near-defeat of the national

contract at GM in 1982. The opposition could not, however, overcome the structural obstacles that had prevented previous generations of activists from forcing more incorporation of their concerns. The lack of traditions or structures that facilitate internal debate within the union meant that, by 1989, a full national debate had not yet been held within the UAW about how to reconcile opposition concerns about union independence with leadership concerns about securing employment and investment.

The June 1989 retirement of UAW Vice President Don Ephlin, the most outspoken proponent of cooperation within the leadership, could be a prelude to incorporation of opposition concerns within a more "militant cooperationist" stance crafted by a dominant coalition of administration skeptics of cooperation in its present guise. But the contradiction between the control over internal debate the leadership sees as necessary to maintain stability and the openness and mobilization that would be necessary to make a more confrontational stance succeed make a fundamental reorientation of union direction unlikely in the next few years. As non-union parts and assembly plants gain market share, the passage of time will only increase the structural constraints to the success of more solidaristic strategies.

In Canada, labor's political power improved the prospects of a more confrontational strategy. The existence of denser networks of union militants at Canadian

plants; and the memory of successful militance in the early 1970s at United Aircraft and in the late 1970s against wage controls predisposed many activists to a strategy of resistance and to using economic leverage in politics as well as bargaining. Canadian national and secondary leaders saw mobilization and militant workplace action to pressure employers and the government as a viable alternative to saving jobs by helping to improve plant-level profitability. At the beginning of the recession, the Canadian union combined sitdowns to demonstrate the plight of workers' displaced by restructuring with lobbying for mandated severance pay and better plant closing legislation (Yates 1988). Later, it embraced local-content legislation as a solution to the international competition faced by workers. The District Council, as in the past, served as a vehicle in which Canadian local representatives reinforced each others' militance and developed concrete ideas for political organizing, workplace action and bargaining.

It was at the Council that the feelings of impotency around plant closures were recast into the determination to respond with selective plant takeovers. It was at the Council that the bankruptcy of concession bargaining was debated, exposed, and a firm policy against concessions was adopted...It was at the Council that the disillusionment over the Americans' direction was not only expressed, but where the approximately 300 delegates made the decision to form their own Canadian union (Gindin 1988).

The Council made it clear to Canadian President Robert White that he could only pursue concessions at the cost of

internal disaffection. The influence of left-wing ideology in Canada translated into a deeper conviction that worker and corporation priorities conflicted; and into skepticism of management rhetoric about increasing its reliance on workers' skills. While the Canadians accepted the possibility of tactical cooperation, they saw the preservation of workers' collective power as paramount.

Unlike U.S. unionists (and regions) whose instincts inclined them towards greater resistance to management, Canada's structural autonomy within the International Union plus nationalist rank-and-file support for that autonomy enabled Canadian UAW leaders to chart a different path. By early 1981, facing management demands in IPS plants, the Canadian region had committed itself to a policy of not reopening agreements to grant concessions. To hold the line in the most threatened or least militant locals, the union mounted an internal education campaign and created a special fund for workers who struck to oppose concessions. Helped by the rapid and complete Ontario recovery from the recession, the UAW in Canada enjoyed a virtuous circle of rising collective confidence and strategic success, which was only interrupted by the November 1988 reelection of conservative Brian Mulroney and subsequent passage of the Free Trade Agreement with the U.S.

The rest of this chapter explores the U.S. union's actions in politics and bargaining since 1979 in more

detail. Chapter eight does the same for the Canadian auto union.

A. Union Political Strategies in the U.S.

After the auto recession began in 1979, the UAW lobbied for two complementary political solutions to the problems faced by its members.<sup>131</sup> Most immediately, the union advocated protection against Japanese imports. In the longer run, it advocated the adoption of a progressive industrial policy through which the government would seek to sustain the competitiveness of U.S. manufacturing and to ensure that workers would not become victims of restructuring. Isolated from other political actors and confronting the Reagan Administration, these efforts would not prove successful.

The UAW, joined by Ford and Chrysler, began lobbying for protection against Japanese competition shortly after the recession began.<sup>132</sup> In spring 1981, the Reagan Administration negotiated a U.S.-Japan Voluntary Export Restraint Agreement (VRA). The Japanese government agreed to limit Japan's export of passenger cars, vans and station wagons to 1.76 million units in the year beginning April 1, 1981. This represented a decrease of 7.7 percent (in units) compared to the previous 12 months during which the

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<sup>131</sup> The following two pages draw principally from Dyer et al. 1987, 198-202.

<sup>132</sup> This paragraph also draws from Dyer et al. 1987, 273 and 139; and Altshuler et al. 1984, 230.

Japanese held 21.5 percent of the U.S. market.<sup>133</sup> Although the U.S. government lifted the restraints (now up to 2.1 million units) effective April 1, 1986, the Japanese have unilaterally continued them at 2.3 million units since then.<sup>134</sup>

In the early 1980s, the UAW also lobbied aggressively for domestic content legislation. In 1983, the UAW proposed a sliding scale content percentage that would begin at 10 percent for companies selling 100,000 units in the U.S.; and then increase a further 10 percent for each increment of 100,000 sales beyond that up to a ceiling of 90 percent. Before Congress, UAW President Fraser argued that local content would create one million jobs in auto and related industries; increase foreign investment; curb outsourcing by domestic producers; and improve the balance of payments.

In lobbying for the bill, the union sought to draw its local unions and members into lobbying efforts reminiscent of those in Canada in the early 1970s. The union's political branch, the Community Action Program (CAP) sent out lobbying kits to local unions, other labor groups, and

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<sup>133</sup> Since demand fell, Japan's share actually rose to 23 percent.

<sup>134</sup> In recent years, partly due to the expansion of Japanese-owned assembly capacity in North America, aggregate vehicle exports to the U.S. have not reached 2.3 million. A number of individual companies have reached their share of the total quota. Thus imports might rise if the Japanese discontinued the voluntary restraint.



sympathetic outside organizations. According to Dyer et al. (1987, 200),

CAP pulled out all the stops: editorials were placed in newspapers and magazines, letters to the editor composed, speeches delivered, telegrams, mailgrams, and postcards sent, interviews granted, TV spots filmed. Solidarity, the UAW's monthly magazine, sponsored a major write-in campaign to Congress, and President Fraser warned "that the union and its allies would be closely scrutinizing the support behind the legislation" as national elections approached.

While the House passed versions of local content in 1982 and 1983, neither bill went any further. Critics argued that the law would raise prices and discourage efforts to improve productivity and quality in the U.S. They also saw no reason to protect an "unwarranted disparity between wages in the auto industry and general manufacturing" (Dyer et al. 1987, 200). Despite supporting content, in principle, in their 1982 contracts, the auto companies opposed local content in practice. As parts from Mexico and imported vehicles from Japan and South Korea became a more integral part of the Big Three's competitive response to Japanese-based firms, local content threatened to interfere with the U.S. automaker's plans as well as their competitors.

The UAW's proposals for an industrial policy sensitive to labor's priorities also failed to make its way into law. The May 1 1983 "UAW Blueprint for a Working America" outlined an industrial policy that would be bargained among representatives of business, government, labor and the

public: and "based on a system of social accounting." This last would require corporations to factor the cost to workers and communities into decisions about plant closings and investment. The Blueprint proposed to "make whole" those displaced due to layoffs or plant closings that still took place through a combination of income maintenance and more extensive Trade Adjustment Assistance (TAA). The Blueprint also included proposals for new federal agencies that would coordinate the various aspects of an industrial policy--e.g. retraining assistance and funding for regional and community adjustment.

Once recovery began and the industrial policy debate receded, the Reagan Administration's commitment to deregulation stood unchallenged. If there was a moment in the recession when a different mixture of mobilization, coalition-building and lobbying might have given UAW proposals a chance, it had passed. As Piore (1983) notes, after organizing the unexpectedly successful Labor Day rally in 1981--partly in response to Reagan's firing of striking air traffic controllers--U.S. labor leaders, including the leaders of the UAW, "balked at the idea of carrying this mobilization to its logical conclusion." The role of labor in U.S. auto restructuring would be worked out primarily in the realm of private collective bargaining.

B. Collective Bargaining in the U.S.

The last set of North-American auto collective bargaining negotiations that conformed to the postwar pattern took place in 1979 at Ford and GM. These 1979 contracts contained AIF and COLA and wage increases plus expanded benefits--principally the expansion of annual PPH holidays from four to nine a year (Katz 1985, p. 25). Chrysler, unlike Ford and GM, already faced severe financial problems in 1979. Thus, in October, the UAW signed a Chrysler contract that deferred AIF and COLA payments; included lower pension, sickness and accident benefits; and contained six fewer PPH days.<sup>135</sup> Twice more before September 1982, the UAW negotiated concessions at Chrysler: in January 1980 to satisfy a condition established by Congress if Chrysler was to get federal loan guarantees; and in January 1981, to prevent the company's bankruptcy. The last concession cancelled COLA and AIF increases over the entire 1979-1982 agreement. By 1982, Chrysler hourly wages were \$2.50 less than those at GM and Ford.

The terms of debate and restructuring in the Chrysler case foreshadowed the way these unfolded in the industry as a whole over the next decade.<sup>136</sup> While several groups proposed alternatives to the bailout plan that aimed to

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<sup>135</sup> This sentence and the rest of this paragraph are based on Katz 1985, 54-55. See also Iacocca with Novak 1985 and Jefferys, 1986, 202-213.

<sup>136</sup> This paragraph is based on Moody 1988, 152-156.

limit its impact on workers and communities, these were never seriously considered. Most of the 18 plants originally slotted for closure to save the company did close. Chrysler employment dropped from 100,000 in the late seventies to 57,000 in 1982. Many of these jobs were lost in inner-city Detroit. Despite the rank-and-file Chrysler Bargaining Council's initial rejection of a wage freeze, the union ended up negotiating one anyway. Facing great pressure from the government and in fear of losing all 100,000 jobs if the company went under, union leaders saw little option but to acquiesce to a corporate definition of restructuring that imposed enormous costs on workers (Moody 1988, 155).

Recession and evidence from Chrysler that the union might be willing to negotiate wage and benefit reductions precipitated a wave of demands from UAW-organized IPS firms in 1980 and 1981 (Hoerr 1988, 59). In January 1981, Fraser sent a memo to UAW Regional Directors noting that, in the Chrysler case, the UAW had accepted concessions to prevent bankruptcy. The union should open contracts only if companies would open their books and demonstrate the depth of their financial trouble. According to Hoerr (1988, 59), "increasing numbers did just that."

Beginning in June 1981 at a meeting at Sawmill Creek in Ohio, debate began within the IEB about whether to reopen the Ford and GM contracts. By then, Ford had lost \$2.5 billion dollars since 1978. Its UAW membership had shrunk almost 60,000, about one third, from its 1978 peak.

UAW membership at GM had fallen by close to 100,000, slightly under one quarter. At Sawmill Creek, Canadian Director Bob White and a few other IEB members opposed reopening either contract (White 1987, 173). About the same time, a survey also revealed great distrust of management among workers at GM. This led the IEB to believe it could not get a concessions agreement at GM ratified and the board as a whole decided against reopening (Hoerr 1988, 207).

In debate over the course of the next six months, three positions emerged within the IEB (interview with Fraser 1987). White, already committed to a no-concessions policy within the Canadian region, opposed opening either of the agreements. Other board members felt that the union should only reopen at Ford if it would also do so at General Motors. Fraser took this position on the grounds that it would preserve a wage and benefit pattern at the two dominant U.S. firms. Opening only at Ford would mean a company-specific agreement at each of the Big Three and threaten prospects for reestablishing an assembly company pattern should Chrysler recover.

A third group of board members argued in favor of opening at Ford. Most of these took the position for pragmatic political reasons: they still felt it would be hard to sell GM workers on the need for concessions. Donald Ephlin, UAW-Ford Department Vice President, more actively supported renegotiating the Ford contract. Since

Irving Bluestone's retirement, Ephlin had become the union's most outspoken proponent of Quality of Working Life (QWL) programs.<sup>135</sup> In 1982, Ephlin felt that reopening the agreement would enable he and Peter Pestillo, Ford Vice President of Labor Relations, to broaden and consolidate the labor-management cooperation program begun when they established the National Joint Center on Employee Involvement (NJCEI) in 1979 (Hoerr 1988, 204). Like Bluestone before them, Ephlin and Pestillo saw EI, in part, as a vehicle for improving worker-supervisor relations. As the recession took hold and Japanese imports rose, they also saw it as a tool for improving performance and thus preserving UAW-Ford jobs. To foster the diffusion of local EI programs, the NJCEI had distributed materials on the purposes of EI, sponsored trips for plant management and local union officials, authorized funding for the use of outside consultants and visited local sites themselves (Ephlin 1983; Savoie 1982). With Ephlin's authorization (required under the UAW Constitution), several Ford locals

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<sup>135</sup> These programs, known as Employee Involvement or EI at Ford, had been initiated after Bluestone made a QWL demand in 1973 GM negotiations. Management and the union initially viewed QWL as a supplement to traditional collective bargaining (Katz 1985, 144). The union emphasized that QWL should not deal with contractual issues such as work rules, promotion, wages and benefits. A low priority for both management and union in the 1970s, QWL programs diffused slowly (Cole 1985): by 1979, in one GM division, 9.5 percent of the workforce had participated in some form of QWL program (Katz 1985, 177); by 1978 at Ford, four facilities had pilot programs underway (Ephlin 1983; Savoie 1982).

faced with losing work had reopened their local agreements since 1979 (Moody 1988, 182-183).

As time went on, Fraser became more convinced of the need to reopen the Ford and GM agreements. He and others on the Board felt that economic conditions might be even worse in September 1982. If they were--and they were--the companies might bargain to an impasse in September and then impose an even less favorable agreement. A strike then would take place exactly when the automakers wanted: when they had huge inventories in a depression.

On December 7, 1981, the IEB held another six hour debate about whether to reopen the agreements. By now, most of the board felt obligated to take some action. As Fraser put it, "The workers are scared...They want us to do something" (White 1987, 181). IEB supporters of reopening the Ford and GM contracts increasingly saw White's position as unrealistic--at least in the U.S. Over the next year, to prevent the Canadian stance from undermining fragile membership support for concessions in the U.S., Fraser would draw repeated parallels to White's position and Custer's last stand. At the end of the December meeting, the board adopted the policy that any part of the union could reopen an agreement as long as their respective rank-and-file councils agreed to them.<sup>136</sup> In Canada, this would give the Ford and GM councils freedom to leave their existing contracts in place.

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<sup>136</sup> This was the de facto policy in IPS firms before then.

Later in December, the GM council voted in favor of reopening (Mann 1987, 79-80). Talks began with GM on a proposal to link wage concessions to a reduction in car prices that would boost demand for GM cars and thus save UAW jobs. Fraser told Smith that he thought this might be the only way to convince GM workers to accept a new agreement (Hoerr 1988, 207). Talks broke off, however, when the parties could only come up with savings of \$700 a car (interview with Fraser 1987). On January 23, three days after negotiations had broken down, the union's GM council met in Washington to debate whether to continue negotiations (Milkman 1982, 25). By this point, the first organized U.S. opposition to concessions, Locals Opposed to Concessions (LOC), had emerged and begun arguing against reopening. A national organization of dissenting secondary leaders, the group's organizers included Pete Kelly and Al Gardner, leaders of the union's Independent Skilled Trades Council (ISTC), as well as Donn Douglas, President of GM's Local 594 and Pete Beltran, President of Van Nuys Local 645 in California (Dyer et al. 1987, 205 and footnote 52; Mann 1987, 79.)

LOC argued that concessions would not necessarily save jobs. Instead, by raising profits and retained earnings, they might accelerate investment in labor-displacing automation. LOC also maintained that U.S. plants couldn't hope to compete with workers in low wage countries such as South Korea and Mexico. After the release of the proposed



agreements, LOC opposed the elimination of PPH days on the grounds that this would immediately cut employment. LOC argued further that provisions to encourage plant-level cooperation would lead to competition among locals for a dwindling pool of jobs. After LOC demanded a roll call vote, 43 percent of the delegates opposed reopening at the January GM Council meeting (Milkman 1982).

Given the opposition to reopening at GM, the union switched its attention to Ford. Here, in January, over 70 percent of the council reaffirmed their supported for negotiating a new agreement. Ford's economic difficulties and the cooperative tenor of Ephlin's relationship with Pestillo quickly led to a new agreement. Despite the organizing efforts of LOC, the Ford Council gave Ephlin a standing ovation after the negotiation of a tentative agreement (Ephlin 1989). Workers approved the contract, 44,000 to 16,000.<sup>137</sup> Pestillo, Ephlin and Pestillo's deputy, Ernie Savoie all saw EI as "the catalyst" that made the 1982 contract renegotiation possible. Pestillo said:

As we approached the bargaining table in 1982, both sides had extensive experience with Employee Involvement. We had learned first-hand how to build cooperation, to share information more effectively and to resolve problems in a constructive fashion. We knew the meaning and the benefits of a collective trust, mutual support and open communications. We shared a

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<sup>137</sup> Opposition organizers point out that 100,000 eligible voters abstained in this vote (Dyer et al. 1987, 207, footnote 52). A substantial number of these were laid off at the time.

single-minded determination to be internationally competitive (Pestillo 1983; see also Ephlin 1983 and Savoie 1982).

In addition to cutting nine PPH days, the 1982 Ford agreement eliminated the AIF for the two-and-a-half years of the contract and deferred for 18 months three quarterly cost-of-living increases. It officially sanctioned local work rule changes when plants faced the possibility of outsourcing.

In the event that changes in labor costs can make a difference in the reasons for outsourcing action, the Union shall have 30 days from the notice to propose any changes in work practices or any local deviation from the Collective Bargaining Agreement that might make it feasible for the company to produce without being economically disadvantaged (Ford Motor Company 1982, 39; quoted in Katz 1985, 70).

The 1982 agreement at Ford also reaffirmed commitment to labor-management cooperation (Ephlin and Savoie 1983; Savoie 1982). It created "Mutual Growth Forums" at the local and national level which would meet quarterly to discuss "business developments that are of material interest and significance to the union, the employees, and the company." It established a jointly administered Employee Development and Training Program intended to support EI efforts, help displaced workers to find jobs outside the industry, and enable active workers to develop their skills. In exchange, the union received profit sharing, a "guaranteed income stream" benefit for laid-off workers with more than 15 years seniority; more money for

the SUB fund; and a prohibition on plant closings due to outsourcing.<sup>138</sup>

A new understanding that cooperation could simultaneously serve the interests of the company and the union glued together the 1982 Ford agreement. Three intermeshing gears which the parties chose as the symbol of the contract showed labor-management cooperation--the middle gear--as a way of boosting the two gears around it, job security and company competitiveness. By mid-1984, 86 of 91 plants in the U.S. and 20,000 to 34,000 hourly employees--20 to 35 percent of Ford's U.S. workforce--had some direct involvement in EI.

On February 26, two weeks after Ford reached a tentative settlement, GM announced plans to close four more plants. A few days later, the GM council voted 299-15 to reopen negotiations with GM (Milkman 1982, 26). GM negotiators improved on the Ford agreement by extending eligibility for the guaranteed income stream in cases of plant closings to workers with only 10 years seniority. They also won a Legal Services plan (interview with Fraser 1987). The GM council voted sufficiently overwhelmingly for ratification to make a roll call vote unnecessary.

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<sup>138</sup> The GIS program provided eligible workers with half-pay and health and insurance benefits for the rest of their lives. At Ford and GM, it covered only those workers still employed on March 1, 1982. To remain eligible, workers with 15 years seniority that were eligible had to accept placement at any GM plant in the U.S., or take any other job offer within 50 miles of their present residence, regardless of its pay level (Milkman 1982, 27).

Despite this, GM's prosperity relative to Ford--it made \$333 billion in 1981--and the organizing of LOC meant that GM workers ratified the 1982 contract by a slim 52 to 48 percent, 114,000 to 105,000.<sup>139</sup>

Later in 1982, in another sign of discontent with the International, Chrysler workers rejected an agreement recommended by their bargaining council by over two to one. A five-week Chrysler strike in Canada brought restoration of COLA and AIF instead of the profit sharing originally offered to U.S. workers. The Canadian agreement also contained a \$1.15 per hour increase and helped produce a \$0.75 per hour rise for U.S. UAW members.

From the time it negotiated a wage freeze in 1979 despite the Chrysler council's vote against doing so, the UAW leadership found itself trying to get concessions past a reluctant membership. It did this as much by bureaucratic maneuvering as by persuasion. It first moved negotiations back and forth between GM and Ford and then took advantage of the GM plant closing announcement to reopen the issue at GM. More tellingly, unlike all previous Big Three bargaining years, the UAW never held a union-wide collective bargaining convention. Instead, debates about accepting concessions took place within

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<sup>139</sup> On the day that GM and the UAW signed their agreement, in what one Detroit paper called "the Dumbest Move of the Year", GM disclosed that its top executives would be rewarded an improved bonus plan (Hoerr 1988, 209). Under great pressure from an enraged Fraser, GM rescinded the bonus plan a week later.

individual bargaining councils, an approach that left the small IPS company councils particularly isolated.<sup>140</sup> The reliance on company councils meant that debates with the secondary leadership tended to be framed in terms of the financial needs of individual companies, not the implications of concessions for the union and industry as a whole. Even if the union leadership correctly gauged the possibilities for getting what it saw as necessary concessions ratified in any other way, the end result was a position about which much of the secondary leadership and rank-and-file retained strong doubts.

Reviewing the events of early 1982 later, Fraser criticized GM council delegates for failing to defend their approval of the new contract when they returned to the plants (interview with Fraser 1987; Hoerr 1988, 210). To Fraser, the politicking he observed among local leaders stemmed from a subtle transformation in their motivation since the union movement began in the 1930s. More than in the past, local officials (who have some of the most lucrative jobs in the union) and international

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<sup>140</sup> The bargaining convention was originally scheduled for the spring of 1982. It could have been moved up after the question of reopening came on the IEB's agenda the previous summer and fall. Even after negotiating contracts at GM and Ford, there were still reasons to hold a convention--Chrysler and many IPS firms had not yet negotiated 1982 contacts. According to Peter Cappelli and W.P. Sterling (1988), the latter a consultant for management during negotiations at GM in 1982, "The UAW skipped its bargaining convention, ostensibly because it would be pursuing separate agreements with each employer but perhaps also because the leadership did not want to be boxed in by traditional membership demands for increases..."

representatives place their own financial and job security above commitment to the union.

They're in the shop, maybe don't have a college degree, and they say, "geez, wouldn't it be wonderful doing something I like, International rep. for 50 thousand dollars a year. And I want to spend the rest of my life there"...So they want to spend the rest of their life in the movement, not because of the movement but because it's a very good job...And so it is with the local unions...There are cases you don't have the same fervor and dedication and commitment (interview 1987).

The International itself, however, was guilty of one charge Fraser laid at the feet of local leaders: failure to confront and deal with the substance of opposition arguments. The managed character of the debate within the union left council delegates and service representatives unprepared for LOC's arguments against concessions when they returned to the plants. At a deeper level, the domination of the union by the Administration Caucus reinforced the bureaucratization of its local leadership and International staff. Unwillingness to take political risks defending an unpopular contract was the flip side of the deference which the union administration had nurtured for so many years and which led delegates to vote 299-15 in favor of reopening at the GM Council.<sup>143</sup>

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<sup>143</sup> As long as they remained within the limits of the administration's definition of legitimate disagreement, Fraser himself showed signs of preferring more independent leaders. He supported Bob White as his successor behind the scenes until White led the Canadians down the no-concessions path (Gindin 1988, 38, footnote 7; White 1988).

For much of the UAW leadership, the 1982 Ford and GM negotiations left open the possibility of a return to the norms of postwar bargaining in 1984. By the mid-1980s, with varying degrees of enthusiasm, the leadership believed that as one staff member put it, "the world had changed." The new international competitive context required the union to moderate compensation increases and to support shop floor cooperation to improve the quality and productivity of North-American auto plants. In Big Three bargaining, the 1984 and 1987 agreements modified each of Katz's three key features of labor regulation. Lump sum bonuses and profit sharing replaced the AIF, the main wage rule of the postwar period. Connective bargaining had also been modified in several ways. The 1985 adjustment of Chrysler base wages (and 1988 adjustment of Chrysler lump sums) to GM and Ford levels preserved broad comparability of wages within the Big Three but profit sharing allowed an element of variation according to the economic fortunes of each firm.<sup>144</sup> In most U.S. supplier firms, the concessions of the early 1980s meant that the assembler pattern was no longer an important point of reference in wage and benefit bargaining. Finally, the spread of broad job classifications, "participation" programs and union-management committees moved away from the rules, procedural

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<sup>144</sup> Thus Ford workers employed for 40, 52-hour weeks received \$3700 more than equivalent GM workers in 1987; and slightly over \$3000 more than Chrysler workers (Katz and Meltz 1990).

dispute resolution and "adversarial" worker-supervisor relations that defined job control unionism. In the process, it also further weakened the loose connective bargaining that had existed on shop floor issues in the past.

The most tangible benefits of the post-1982 contracts for the union were their conditional job guarantees. The 1987 and (at Chrysler) 1988 contracts at the Big Three guaranteed a fixed number of skilled and non-skilled jobs in each bargaining unit. If jobs are lost for any reason besides events beyond the company's control (declines in market share, a recession or "acts of God"), affected workers receive full pay while attending training programs, temporarily covering for other workers who are in training programs, or performing "non-traditional" assignments.<sup>145</sup> The union believes that these protections have been particularly critical to saving jobs at GM's component operations (Friedman and Fisher 1989). According to UAW President Owen Bieber,

If we hadn't insisted on job security protection, if we hadn't made it costly for them to get rid of component operations, you'd have 50,000 or

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<sup>145</sup> If employment drops due to losses in market share, the number of jobs guaranteed at the original level of production does not shrink immediately but only at half the rate of attrition. Unlike the 1984 job security program, this protects laid off workers against automation, outsourcing or productivity improvements during increases in volume following a loss of market share or a downturn. At GM, the 1987 job guarantee excepted 37,000 employees at 16 plants announced for closure previous to the July 1987 start of negotiations (Ruben 11/88, 41).



60,000 less workers at GM than you do now  
(Lippert 6/11/89).146

The UAW's strategic move away from adversarialism culminated in the 1987 GM and Ford contracts with the creation of national union-management "Job Security and Operational Effectiveness Committees" which oversee joint committees at each plant. Under "Attachment C" to the agreements, each local committee was obliged to "present plans for improving production quality and efficiency" six months after the contracts began. These plans could:

...Include identification of needed plant investments; establishment of team production approaches for production workers...; identification of nonlabor cost savings; consideration of new forms of work planning in areas such as production and transportation and quality improvement; assuring supervisory support of programs; adopting of procedures to cut chronic absenteeism; giving the committees access to company product and employment plans and productivity records; and review of past outsourcing decisions, followed by consideration of ways to increase "insourcing" (Ruben 11/87, 32).

#### C. Three Perspectives on Labor-Management Cooperation

By 1989, three distinct perspectives on union strategy could be discerned within the union. Two of these represent poles of a spectrum of opinion within the Administration Caucus. The third is the opposition.

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146 For more evidence that job guarantees curtailed GM outsourcing, see Friedman and Fisher 1989.

i. Ephlinism

Until his retirement in mid-1989, Ephlin continued to be the most enthusiastic top-level proponent of labor-management cooperation (Mann 1987, pp. 86-87). After he became head of the UAW-GM Department in 1983, Ephlin helped negotiate pioneering agreements with the GM-Toyota joint venture in California, (New United Motors or "NUMMI") and with General Motors' new Saturn subsidiary. These both included teams, hierarchies of joint labor-management committees, and job security guarantees. In Saturn's case, the agreement guaranteed jobs for 80 percent of the workforce. The Saturn and NUMMI agreements also emphasized the mutual interest of labor and management in plant competitiveness and in cooperation to achieve that goal. In the preamble to the Memorandum signed by the UAW with GM's Saturn subsidiary in 1985, union and management

...recognized the necessity of developing a cooperative problem-solving relationship between Management and the Union. With the understanding that this philosophy of total cooperation offered an opportunity to forge a new relationship and demonstrate that a competitive, world class vehicle could be manufactured in the United States with a represented workforce, authorization to proceed with the Saturn project was obtained.

At GM, labor-management cooperation has been accompanied by the expansion of a wide array of "joint" union-management institutions, including a national "Quality Network" which includes committees at each local dedicated to finding ways of improving quality; a joint

Human Resource Center near Detroit; joint substance abuse prevention and absentee control programs; and joint publications at the national and local level, etc.<sup>147</sup>

Within the union and outside it, observers viewed Ephlin as either ahead of his time or as the strongest evidence that the UAW is becoming a subordinate arm of management. One reason for this disagreement is that two distinct arguments--an "enterprise union" and "codetermination" perspective--comingle in his writings and the views of his staff.<sup>148</sup> At times, Ephlin seemed the ultimate pragmatist, ready to cut jobs to save jobs, accept speed-up to "competitive levels" if it would secure reinvestment, or take whatever steps managers saw as necessary to match Japanese, European and non-union performance levels. At other times, Ephlin seemed the lonely warrior against outdated thinking and turf fighting, trying against all odds to move one of the world's most bureaucratic companies and adversarial unions towards production systems that offer rewards for the company, the union and for society as a whole. The world view of the onlooker filtered out one or the other part of what Ephlin said and saw him as a sell out or a visionary.

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<sup>147</sup> When Steve Yokich took over as head of the UAW-GM Department upon Ephlin's retirement, he ended the union's participation in the production of the joint, UAW-GM national magazine, Working.

<sup>148</sup> The rest of this section, including the quotes in it, are based on interviews with two of Ephlin's top aides in 11/88.

The enterprise union argument implicit within what became known as "Ephlinism" aims to preserve high wage UAW jobs for the maximum number of workers possible taking the economic context of the industry as given. It is predicated on the assumption that protectionism, politics, international unions and organizing do not offer a realistic approach to the defense of UAW members today. These assumptions mean that failing to cooperate with UAW employers will reduce the number of UAW jobs by reducing these firms' market share as well as leading them to rely on non-UAW sources of production.

The notification of the union when GM intends to outsource production facilitate cooperation in efforts to save jobs. Upon such notification during Ephlin's tenure at the GM Department, a representative from International headquarters would

...sit down with the local...to see if we can not find a way to reduce cost on that product to the point that we can, in fact, become competitive with that other supplier that is bidding on the work that's inside General Motors.

In one recent example in Columbus, Ohio,

We were going to lose about 7800 jobs...[A top GM Department staff member] along with a couple of [other] staff people went down to Columbus, Ohio and we were able to...improve our efficiency at that location by some 20-odd percent...That product line along with other products in that plant became more profitable, which preserved the jobs at a \$25 dollar labor rate rather than letting it go on the outside at a \$12 labor rate.

A similar effort managed to preserve a cushion room for plants in Lakewood and Doraville, Georgia. One of Ephlin's administrative assistants acknowledged that by "...redesigning how the work was going to be done, we ended up with less people...But the fact is we ended up being competitive." This perspective thus accepts a decline in UAW employment in the industry on the grounds that failing to do so will ultimately lead to greater job loss. It likewise accepts competition between U.S. and overseas employers.<sup>149</sup>

Inevitably, Ephlin's staff said, the change in union role from negotiation and enforcement of rules that protect workers to co-planning ways to improve performance generates resistance within the union. As a result,

Our total concentration has been for the last five or six years...to change the attitude, first of all of the staff, secondly of the local union leadership and thirdly of the membership on the plant floor...If they're going to continue with the standard of living that they presently enjoy,...They've got to put themselves into position that they compete...at a quality and cost competitive with a Nippon Denso. If you can't do that then you're not going to survive.

Viewed from the receiving end by local opponents of cooperation, the evangelism of Ephlin's GM Department in favor of cooperation and teamwork to improve performance

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<sup>149</sup> Ephlin's assistant explained: "Some people still feel we're back in the '40s and that our enemy is General Motors and that all we've got to do is kick General Motors in the can and go from there. Well, the enemy is not General Motors today,...the enemy within the system for which we are trying to preserve jobs is the Japanese..." His definition of "the enemy" also included new Japanese transplant suppliers and assemblers in the U.S.

was seen as helping the company to whipsaw locals into accepting deteriorations in working conditions.

The codetermination strand within UAW-GM Department thinking interprets recent changes in labor relations as more than an attempt to eliminate "non-competitive" practices to save UAW jobs. It suggests, instead, that union receptiveness to cooperation, in current market conditions, can help produce fundamental changes in the process of labor-management negotiation and associated changes in management strategy. In contrast to the era of adversarial, procedural unionism, the union now tries "to find a way to agree on an issue rather than find a way to disagree." In this effort, shop floor "problem-solving", joint local committees, and abandoning the "assumption of perfidy" that used to run through union-management relations increase the amount of "substantive negotiation" between labor and management. Thus, they enable union and management to discover "win-win" solutions--i.e. solutions that satisfy corporate and labor concerns better than solutions that the two parties would have found in the past. Other institutional changes reinforce this effort: expanded information exchange complements the search for new solutions in joint problem-solving; access to top management enables the union to put pressure on conservative managers who continue to focus on traditional

tactics for squeezing labor<sup>150</sup>; the UAW-GM "Quality Network" identifies broader ways of improving performance than can be discovered in shop floor small groups; and the training and job security programs built in tandem with labor-management cooperation help produce the skills and worker commitment necessary to make formal and informal problem-solving operate effectively. Ultimately, the idea is to get management to think of labor in a different way-- in Ephlin's words, as a "valuable resource rather than a fixed cost of production" (Ephlin 1986 quoted in Mann 1987). This, in turn, should lead management to embrace dynamic, skill-intensive business strategies that are more compatible with worker protection and maintaining high living standards than low wage, "sweating" strategies.

According to a GM Department staff member, the move towards skill-intensive business strategies is most evident at GM component plants. In 1987 negotiations, GM tried but failed to break the parts plants out of the assembly plant wage pattern. Prevented from competing primarily through an outsourcing or low wage strategy, the contract forced management to "look at the whole cost structure" in search of ways to improve performance. Within management, the combination of constraints on outsourcing and union willingness to help improve performance has reportedly

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<sup>150</sup> Kochan et al. 1986, emphasize the increase in the "amount and depth" of informal access to top management gained by the UAW-GM Department in the 1980s. On UAW involvement in "strategic business decisions," see Kochan et al. 1986, 168-171 and 199-200.

encouraged the emergence of a "cadre" of "talented" young managers--"Managers who look analytically at decisions and who have overcome the received wisdom that if you control direct labor, you control costs."

The enterprise union view places no clear limits on the changes the union should accept in order to maintain employment and investment: eliminating certain product lines and jobs; granting management the flexibility it wants on the shop floor; allowing management to split up amalgamated locals and narrow seniority districts; tightening absenteeism rules; permitting outsourcing of certain parts in order to retain the remaining work, etc. It does not indicate:

How to avoid a situation in which...willingness to experiment with new work and industrial relations systems does not become wholesale acceptance of management's plans and a wholesale abandonment of any national labor standards (Katz 1987, 17).

The codetermination perspective, by contrast, raises complex questions about the mix of accommodation and resistance that would lead automakers to invest in UAW plants but pursue dynamic rather than low wage strategies. Should the union enforce other protections in addition to high wages in components plants and guaranteed job numbers? The co-determination perspective also raises difficult questions about how to define and enforce limits on managerial conduct across plants within individual companies and in the industry as a whole. To use Katz's



language, it raises questions about how to define and enforce a set of national labor standards that will reproduce corporate commitment to skill-intensive strategies.

The tension between the enterprise union and codetermination perspective manifests itself in Ephlin's staff as ambivalence about the use of economic leverage by the union. One of Ephlin's assistants described the GM Department strategy as encompassing cooperation and "adversarialism":

there is a joint process that is going on...to protect the jobs of the workers that we represent. And yet at the same time, we can handle the adversarial role...and protect the principles that this union was founded upon.

He also explicitly acknowledged the need to strike when management takes unacceptable actions: "...if it's a legitimate issue...We've got to preserve the principles which the union was founded on...If you don't, you lose your membership." The assistant nonetheless conveyed some ambivalence about the use of economic weapons. He noted that a 1986 strike over outsourcing issues at a Kokomo, Indiana Delco parts plant that supplies all of GM on a just-in-time basis, "shut down the whole corporation" within hours. He added that it cost GM 60 cents a share. References to the use of militance sometimes appeared to be uttered for form's sake to pacify "traditionalist" critics. The repeated use of the word "we" to mean General Motors not the union--and the associated narrowing of the meaning

of "our members"--also underlined the danger that "jointness" at GM might lead the union to lose the sense of responsibility for the industry as a whole essential to prevent union participation in management from degenerating into enterprise unionism.

## ii. Traditionalism

Ephlin's enthusiasm for labor-management cooperation is not shared by other members of the IEB.<sup>151</sup> For much of the rest of the Board, cooperation is a pragmatic response to an unfavorable economic and political context. These union members are traditionalist not in the sense that they want to return to the shop floor and union-wide institutions of Fordism, but in the sense that they express more concern about the impact of joint programs on union independence and retain a more explicit commitment to the importance of organizing workers to pressure management. Within the Administration Caucus, Stan Marshall, former Director of Region 1C centered in Flint and now one of the union's four Vice-Presidents and head of its Chrysler and Organizing Departments, has expressed some of the strongest skepticism of cooperation.<sup>152</sup> He points to the role of

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<sup>151</sup> Katz (1985, 240) speculates that Owen Beiber's more cautious embrace of cooperation helped him beat Ephlin for the job of president upon Fraser's 1983 retirement. White's (1987) comment that Ephlin got only one vote at the IEB raises questions about whether Ephlin ever had a real chance at the presidency.

<sup>152</sup> Material in this section on Marshall's views, including quotes, come from an interview in 11/88.

threats and fear in the modification of shop floor custom and practice in the 1980s:

...they had pretty good luck with the one in California, [NUMMI] where they put everyone out on the street for two, three years...and starved them to death and then brag about what a wonderful workforce. That seems to be a trend now to close a plant for a while and then give 'em a product later on that changes a lot of the programs around and agreements around...It's a form of whipsawing.

Marshall also raised the concern that cooperation in the name of job security could lead to the sacrifice of the principles of fairness and solidarity for which the UAW has always stood. One example he gave was the extensive use of overtime in his region while large numbers of workers are on layoff.

I understand there's people that think working with [the company] means you got to just agree to everything...I think that there's times where we have to get a little harder-nosed than we are and take 'em on on these kinds of issues [such as overtime]. I think that would make our membership much closer knit. There's a lot of division out there right now in the membership--they feel they're being abused by management and they're looking for us to step up to it.

Fraser and Marshall both expressed uneasy feelings about joint programs leading union officials to adopt a managerial perspective. Marshall acknowledged the appeal of a system under which management actually would listen to and respect workers on the shop floor. Based on his contact with workers at union awareness classes and in his Region, he said,

I certainly don't get the perspective from them that they think things are rosy and are better than they were a few years ago. They think they're worse...

Discounting claims that participation has increased workers' influence on the job, he added.

I don't believe the local union or the membership down on the floor has near as much input as they used to have. They used to [get input by telling management]... "by God, you're either going to start moving for us or we're going to do this, this, and this." And lot's of time we were able to get things done.

This led Marshall to support a different balance between cooperation and militance:

There's people out there that are saying, "maybe this isn't the right way to go...It's time to start a tougher stance on cooperation rather than just go along..." There's other people saying, "oh no, you've got to work with them, hand in hand, to turn things around..." Yes you have to work with 'em but when they're kicking us like they are and not bringing the people back off the street...We have to use some drastic measures to get their attention.

While he emphasized that he did not have a solution, he suggested that a better balance would include more communication with the membership and a concerted effort at all levels of the union to combat whipsawing.

...for the national, the locals, the region, everyone to get together and say, "look, we're done having 'em do away with our seniority agreements by whipsawing us back and forth."

The public statements of other top leaders besides Marshall also place more emphasis than Ephlin on combatting whipsawing, preserving the independence of the union from management, complementing cooperation with the

use of economic pressure, and strengthening links with the rank-and-file. During Steve Yokich's tenure as Vice President in charge of the UAW-Ford department, according to one of his top staff assistants, the department actively used its constitutional authority to monitor changes in local agreements to limit whipsawing. Upon Ephlin's retirement, Yokich moved to the UAW-GM Department and immediately announced that union personnel would not take rides in company planes over the course of the next three years.

The most visible example of the willingness of the traditionalist wing of the UAW to use economic leverage came when Chrysler attempted to sell the 11 plants in its components division, Acustar in early 1988. The UAW immediately suspended an earlier agreement to introduce the team concept at six plants. The union also suspended its cooperation in existing joint programs and began taking strike votes at affected locals. Chrysler agreed to keep seven plants open and place the 200 workers at the other four locations in a job bank until they were placed in another plant (Ruben 5/88, 54; for another account, see Parker and Slaughter 1988).

With regard to leadership links with the rank-and file, in 1986, the union created a "Commission on the UAW Future" as part of an effort to get more input from rank-and-file workers on future union priorities. The national commission had two representatives from each Region of the

country. It traveled to each region to talk with rank-and-file committees containing one appointed member for each 1000 UAW members in the region. Although appointed, the committees looked somewhat like ad-hoc, one-time versions of the Canadian Council. According to the Commission report, rank-and-file delegates emphasized the need for better communication within the union structure. They also expressed guarded support for labor-management cooperation, reportedly persuading Bieber himself to express more open, if still cautious, support for cooperation.

It remains to be seen how the retirement of Ephlin and the rhetorical militancy of traditionalist members of the Administration Caucus will manifest themselves in practice. In the past, more confrontational rhetoric and attempts by UAW top leaders to distance themselves from Ephlin have not translated into concrete alternative strategies.<sup>153</sup>

### (iii) The Opposition

The opposition to the Administration Caucus, now grouped under the "New Directions" banner, is perhaps the UAW's most substantial opposition with a production worker

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<sup>153</sup> For example, in a 1986 Constitutional Convention debate about the Saturn Agreement, UAW President Owen Bieber said that despite claims by Roger Smith and Lee Iacocca the rest of the industry would not be "Saturnized." By the 1989 convention, the leadership more openly accepted teams and cooperation as a means to improving competitiveness and job security.

base since the 1950s.<sup>154</sup> The opposition shares many of the doubts about "Ephlinism" expressed by the more traditional elements of the UAW leadership. Even more than this, the views and actions of the opposition parallel those of the Canadian Auto Workers (see chapter eight). Like the CAW, the U.S. opposition in the early 1980s disagreed with what they saw as the UAW's concessionary strategy and "initiated their movement out of a directly felt need more than a coherent philosophy or strategy."<sup>155</sup> The U.S. opposition perceived management's vision of labor-management cooperation as a fundamental attack on the union. Like the CAW, it has used workplace action to gain corporate concessions. It has emphasized education and open debate as tools for coming to grips with the divisive pressures on the industry today. It has called for the assignment of new organizers to contain the growth of non-union firms. It has argued in favor of dealing with the danger of work organization whipsawing through a national policy developed through a national debate. It has advocated greater emphasis on political mobilization and alliance-building to protect workers.<sup>156</sup> Neither opposition UAW leaders nor the

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<sup>154</sup> For summaries of the views of the opposition, see, for example, LOC, 1982; New Directions Movement, September, 1986; and the minority reports to the 1989 UAW CC (summarized in Daily Labor Report, 6/22/89).

<sup>155</sup> Mann (1987, 369) uses this phrase to describe the New Directions movement that emerged in Region 5 in 1985-1986. It also applies generally to the opposition in the 1980s.

<sup>156</sup> In past organizing along these lines, one branch of the opposition helped form a community coalition that threatened to organize a boycott of GM in California if the company closed its Van Nuys assembly plant (Mann, 1987).

CAW know how much power their unions have--or could muster--to shape the future of labor relations in the auto industry. They share the confidence reinforced by past successes that they do have some power to shape that structure in more inclusive ways.

The original "New Directions Movement" emerged in 1986 in the eight south central states of Region 5--including Missouri, Oklahoma, Louisiana, Texas and Kansas. Its roots go back at least five years earlier, to innovative efforts to fight company demands for major concessions.<sup>157</sup> Beginning in early 1981 at the Moog Auto Parts plant in St. Louis, a number of locals had successfully stymied demands for broad wage cuts and work rule changes through "in-plant strategies" known in the Region as "running the plant backwards."<sup>158</sup> In-plant strategies emerged as an alternative to striking when locals feared management would hire replacements. The strategies relied on NLRB

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Controversy exists about whether this threat or the acceptance of teams won Van Nuys a new model when GM closed its sister plant in Norwood, Ohio.

<sup>157</sup> Three years before this, in 1978, New Directions leader Jerry Tucker led a successful UAW campaign to defeat Right-to-Work (RTW) legislation in Missouri. Three months before the campaign polls showed voters favoring the legislation by two-to-one. Tucker built "an unusually broad coalition of farm, labor, minority, religious, small business, and women's organizations" and the measure went down to defeat by 300,000 (Weinstein 1989; see also Automotive News, 9/5/88). After that, Tucker wrote memos to Fraser and other UAW leaders arguing that similar coalitions could defeat existing RTW laws and bolster labor's political leverage in general. "UAW leaders never acted on the memos" (Weinstein 1989).

<sup>158</sup> See Metzger 1986; UAW, 1982, 1983, 1985, and 1986; and Slaughter 1983.



protection for participating in "concerted activity." When their contracts expired, the locals resorted to slowdowns, confronting supervisors en masse to protest managerial actions and other collective action. In one plant, performance dropped by 70 percent. Locals formed solidarity committees to coordinate their in-plant campaigns. At Moog, 100 of 500 workers formed the solidarity committee. Anticipating discharges and suspensions, locals also created solidarity funds to provide benefits to the victims. Ironically, as it would turn out, the union's magazine, Solidarity, and even the 1986 UAW President's Report, sang the praises of these innovative tactics and the role of Assistant Regional Director Jerry Tucker (although in the latter account, Tucker's name was expunged at the last minute). Unlike Canada, there was no institution for generalizing the creativity and confidence that enabled workers in vulnerable situations to resist management demands.

In fall 1985, the success of in-plant tactics and concern about the current UAW strategy led a group of local leaders in Region 5 to call a meeting with incumbent director Ken Worley and Bieber in Denver.<sup>159</sup> A more

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<sup>159</sup> In the 1982 GM vote, controlling for seniority, labor climate, region and other variables, parts plants voted for the contract by 21 percent more than assembly plants (Cappelli and Sterling 1988, 204). Southern plants voted against the agreement by three percent more than Michigan plants and nine percent more than "other midwestern plants." Since the south has a higher concentration of GM assembly plants, this plus the independent effect of the south suggest that a base of opposition may have existed

incorporating response at this point--and at various later points--might have headed off the attempt to create an opposition caucus. Dissatisfied with the lack of response from the union, however, a group of 125 local leaders gathered again in Oklahoma City on March 1, 1986. Labeling itself the "New Directions" movement, the group called for new approaches to collective bargaining, organizing, community and political action, education, and internal communication. Arguing that the UAW faces its deepest crisis in nearly 50 years, the group emphasized its historic loyalty to the UAW leadership. The group questioned the value of cooperation: "...What's in it for us? Is it real job security? Is it real wage and benefit protection? Cooperation has to be a two-way street." It also criticized the

...role of some of our UAW International leaders in all of this. We don't mind being told how rough things are going to be. But...we don't want our own people jamming the company line down our throats. The company may try to force competition between us, but that's not a proper role for our elected representatives. We need leaders within our great tradition who seek the collective response and solutions...We don't want to be left out on our own. We want creative advocacy at every level (New Directions Steering Committee 1986).

On May 5, New Directions convention delegates, claiming to represent a majority of the regional votes,

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within the south and southwestern states of Region 5 before Ephlin moved to the GM Department. No one has systematically explored the connections between the emergence of New Directions and employment trends, workforce demographics, technology and employer strategy in Region 5 over the previous 20 years.

offered Tucker their support for Region 5 Director. On May 8, Tucker declared his candidacy. This precipitated his break with the Administration Caucus, of which he had been a member for over 20 years. On May 12, the UAW fired him from his position as assistant director for breaking an administration caucus rule mandating 90 days notice by any staff employee planning to run for elected office.<sup>160</sup>

At the convention, Tucker lost to Worley by 324.577 to 324.416.<sup>161</sup> Tucker then filed a complaint with the U.S. Department of Labor which found violations under the Landrum-Griffith Act for the improper selection of several Worley delegates; and the improper use of union funds. To keep the movement alive as the case proceeded through the courts, New Directions held two region-wide "accountability sessions" at which union members led by industry experts collectively analyzed the threats faced by the union.

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<sup>160</sup> Given the sequence of events that led Tucker to violate Administration Caucus rules and the way White fell out of favor with Fraser, one could argue that "historical accidents" deprived the UAW of its two most promising young leaders in the 1980s. On the other hand, one could also argue that the fact that both White and Tucker ran afoul of the union administration underlies how narrow UAW leaders' definition of legitimate disagreement had become--more narrow than the range of disagreement one could expect during a fundamental industry restructuring and redefinition of the union's role.

The circumstances surrounding the Tucker candidacy and the UAW leadership reaction were similar to those surrounding the successful insurgent candidacy of Panfilo Ciampa in Region 8 in 1953 (Steiber 1962, 64-65).  
<sup>161</sup> Since delegates each represent 100 members, they are permitted to split their vote. For an account of the Tucker vote and ensuing legal battle, see Weinstein, June 5 and June 7, 1986; and Benson, January 1987.

Tucker won a rerun of the election by 362.170 to 327.826 in late summer, 1983.

The second strand of opposition now incorporated under the New Directions banner comes out of traditional opposition circles near Detroit. Here, two factors familiar from Canada helped seed the regional opposition: the geographical concentration of production and the long-standing tradition of militant and left-wing opposition. Don Douglas, militant President of GM's 8,700 employee local in Pontiac, Michigan, had been a co-director of Locals Opposed to Concessions and its successor, "Restore and More in '84", which opposed ratification of the 1984 GM contract. Douglas also played a role in the organization of two meetings of assembly locals organized after ratification of the 1982 contracts. Finding different plants pressed for the same kinds of concessions, the locals persuaded the International not to pressure them for work rule concessions using the clauses of the 1982 contract that permitted reopening local agreements to prevent outsourcing (Slaughter 1983, pp. 79-80). Most GM assembly plants maintained contracts similar to their old local agreements until after the 1984 agreement.

When QWL entered Local 594 in 1983, Douglas bargained for the right to run a two-day independent educational as its share of a new 10-day training program (Parker 1986). The local showed the Flint Sitdown and a PBS documentary on Nissan, "We Are Driven," which emphasizes the tight work

pace at Nissan assembly plants. After GM pulled out of the QWL program, the local continued an abbreviated version of the educational at the union hall by paying for workers to take eight hours off the job.

Beginning in 1986, Local 594 refused to acquiesce to the introduction of teams even though management said this would increase its chances of winning a new medium-duty light truck model. A competing plant in Janesville, Wisconsin, had already established teams. When Local 594 refused to open its agreement, Michigan Department of Commerce Director Doug Ross expressed "outrage" that the union would not give up job classifications to save jobs. In response, Local 594 officers argued that corporate sourcing decisions don't depend on work rule concessions and asked where Ross's outrage was when GM moved production overseas and Michigan communities suffered plant closures and job loss.

As this controversy unfolded, the union was fighting the unilateral introduction of teams in one section of the local.<sup>162</sup> After documenting violations for eliminating a five-minute customary morning break, ignoring contractual job definitions, and promoting and recalling workers out of seniority order, the local began discussing strike action at standing-room-only January and February 1987, union meetings. When it finally took a vote, workers approved a

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<sup>162</sup> The account in this paragraph is based on Parker and Slaughter 1988, 210.

strike by 97.6 percent and the International granted authorization. The strike began March 26 and lasted three days. Under the negotiated agreement, management paid a total of \$1.5 million in contract liabilities. It restored the five minute break. It made attendance at team meetings and training courses voluntary. In January 1988, management backed down five minutes before a second strike deadline. With a base in his own plant and a high profile throughout the region as an opponent of cooperation and work rule changes, Douglas decided to run under the New Directions banner for Regional Director of Region 1B.

To defeat Tucker and Douglas, the union administration mounted a massive effort. It mobilized international representatives to lobby local union meetings.<sup>163</sup> It sent its top leaders to key locals (management sometimes halting production so that the union could address workers). It mobilized retirees in favor of the Administration Caucus candidates. It asked each of its 800 staff members for contributions of \$500 each. Tucker lost 438 to 234. Douglas lost by 719 to 451. Why Tucker lost within a year of having won remains a matter of speculation. Part of the reason may have been that his initial support included some

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<sup>163</sup> One "embittered" international rep. told the Wall Street Journal after Tucker's victory in 1988, "You know where I'm gonna spend the next 10 months...Right here in this region" (Schlesinger 9/6/88). One of two observers sent to the 1989 convention by the Association for Union Democracy found the "involvement of paid international staff in the politics of the convention" its "most disturbing" aspect (Jennik 1989, 6).

"anti-Worley" delegates who then voted for a more broadly acceptable administration candidate, Roy Wyse, in 1989. More than in the previous campaigns, the union leadership also addressed the substance of opposition arguments, pigeon-holing New Directions as advocating a "just say no" approach to workplace reorganization. The International argued that only a combination of cooperation and willingness to defend workers if the companies abused joint programs would protect members' jobs.

Despite the defeat of Tucker and Douglas, observers say that New Directions set the agenda for the 1989 constitutional convention. Minority reports on jointness and organizing came out of the convention committees and were reported to the floor.<sup>164</sup> Perhaps reflecting confusion within the more traditional faction in the union, the chairmen of the sessions also made fewer comments than usual after speakers from the floor. As a result, opponents and supporters of the administration alternated at the microphone (Jennik 1989, 6). While this led to more public airing of substantive differences within the union than at earlier conventions, the bitter polarization at the convention also left little space for members of the Administration Caucus to publically air their own unresolved doubts about union strategy. To do this would

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<sup>164</sup> According to Paul Schrade, former Regional Director in California Region 9, this was the first convention at which minority reports were issued since the late 1940s. Tucker's position had enabled him to appoint his supporters to the convention resolution committees.

have raised questions about their loyalty. In the aftermath of the convention, Douglas returned to his position as president of the Pontiac Truck and Bus Local 594. Tucker, with no position to return to, began organizing a national caucus with two representatives from each region.

Critics of New Directions argue that it has failed to come up with an alternative to administration strategy. They sometimes imply that this is why the opposition has failed to galvanize more support. Elements within the opposition have perhaps left themselves open to this charge by appearing to support a return to traditional wage and work rules and failing to deal adequately with workers' fears about the job cost of such a stance. On the other hand, implicit in the criticism of New Directions as having no strategy is a misconception of the way unions develop strategies. A comparison with Canada is instructive here. When the Canadian UAW decided to fight concessions and when it split with the UAW (even today), it did not have a blueprint for how pursuing an independent path would lead towards a more benign future for workers. As we shall see in the next chapter (and chapter 16), however, since its bargaining demands diverged from those of the UAW, it has slowly been developing ideas of what an alternative strategy might look like. Were Canada not a separate country, it seems highly likely that the Canadian union's attempt to follow a different direction would have been



frustrated much as has that of Region 5. Sage academic observers today would be shaking their head sadly at the failure of Bob White--as well as Jerry Tucker--to develop an alternative strategy.

Rather than the lack of an alternative program preventing the opposition from gaining more influence within the U.S. UAW, the opposite is closer to the truth. The opposition's failure to gain more influence--itself explicable in terms of the relative resources of the International and its critics--has prevented New Directions from gaining the opportunity to experiment with a more assertive approach and using such experimentation to develop, over time, an alternative to a segmented pattern of development.

#### D. Which Way Now?

Informed by their histories, by what they observe from their particular place in the union, by their ideology and by self-interest, the three strands within the union interpret the same events and labor-management cooperation quite differently. On a mission, alternately, to save as many UAW jobs as possible and to persuade U.S. managers to abandon their obsession with labor control and cost minimization, disciples of Don Ephlin shake their heads at the resistance that they face not only from GM managers but from within the union. Arrayed against them, they see union traditionalists who's half-hearted embrace of

cooperation means tossing some workers out of the life-boat without making the craft sea-worthy. Ephlin's supporters also see militants as reflexive nay-sayers who offer instead of an alternative strategy, a large-scale analogue of the strike when replacement workers are lined up at the gates.

Attempting to walk a fine line between membership alienation and failing to recognize the economic realities of the union's new position, administration traditionalists see Ephlin as buying into a vision of restructuring that bears little relation to workers actual experiences on the job; and, in the process, as betraying the principles of seniority, solidarity and independence for which the union has always stood. Traditionalist administration supporters share Ephlin's view that the opposition has romantically embraced suicidal militance; and also see the opposition as jeopardizing the internal unity that the union needs more than ever given the growing strength of management.

Seeing management embarked on strategies that would permanently divide workers and subordinate the union, the opposition sees Ephlin as actively assisting management and the rest of the union leadership as, first, lacking the confidence and mobilizing skills to challenge management and, second, as trying to pass off acceptance of managerial initiatives as pragmatism. These activists believe that the sooner the rest of the union recognizes that its future has already been thrown open by management--and the sooner

the struggle in progress becomes a "two-sided class war"-- the more honorable will be the peace that follows.

Thus, while substantive problem-solving between labor and management becomes institutionalized, constructive communication within the UAW is impeded by the union's bureaucratic tradition and by a lack of forums for open disagreement and the reconstruction of consensus. Because of this, substituting the UAW for "labor", what Piore (1982) wrote after the first round of concessions remains true eight years later.

Labor's strategy in the face of economic crisis...has been to accept management's diagnosis of the problem and major contract concessions to restore the company's competitive position. But these concessions have failed to halt the decline in employment and the competitive position of the industries involved appears to be as precarious as ever. Moreover,...[the leadership's] credibility has been seriously undermined by the apparent failure of these programs to have their intended effect, and the strains created within the organization by the attempt of the leadership to win internal acceptance create the danger of disintegration of the internal structure of the major industrial unions...

Despite all this, the plant-level experimentation engaged in with the active encouragement of the GM Department leadership and the mobilization experience and internal union struggles associated with the rise of New Directions may yet look to historians like vital contributions in the union's attempts to come to grips with restructuring. The seeds of a potential unifying strategy are contained in the obvious overlap in the traditionalist

and opposition critiques of "Ephlinism" and in the need within a developed system of co-determination for union independence and political or contractual enforcement of industry-wide checks on management actions. On the other hand, the polarization and bitterness evident in the 1989 fights between New Directions and the Administration Caucus may also look to historians like the death throes of an institution on its way to societal insignificance. In the resolution of the uncertainty surrounding the U.S. industrial union's future will be determined the purpose and meaning of teams, of the reincorporation of supervisors into the union (i.e. through the creation of bargaining unit team leaders), of information sharing, of labor-management committees and of the local union in a restructured auto industry.

## CHAPTER 7. THE CANADIAN RESPONSE

This chapter begins by describing the origins of the Canadian stance against wage concessions in the early part of the 1979-1983 recession. It then analyzes the union's views of work reorganization. The last section discusses the role of the Canadian union in politics.

### A. The Origins of the Canadian Stance Against Concessions

The events leading up to the Canadian commitment not to reopen agreements to accept wage and bargaining concessions began in the summer of 1980. By June, the onset of recession had produced 11 plant closures.<sup>165</sup> The union had lobbied without success for six months advanced notice of plant closures and for a public accounting of such decisions. At a District Council meeting in late June, a series of delegates stood up to tell stories of individual and community suffering prompted by plant closures. White proposed that workers stage sitdowns as opposed to strikes so that companies could not get their equipment out. When he closed his proposal with the words, "if it takes occupation of plants, to stop this...then we'll occupy them," the delegates gave him a standing ovation. The union committed itself to a full-scale mobilization effort with the dual goal of obtaining better

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<sup>165</sup> This account of the Canadian Council debate in June 1980 and the ensuing sitdowns draws from Yates 1988, 496-501; White 1987, 174-177; and Gindin 1988, 29-30.

severance agreements at specific plants scheduled for closure and of winning severance pay legislation.

Six weeks later, on August 8, 200 workers occupied an auto parts plant of Houdaille Industries in Oshawa. Locally owned for over 35 years, Houdaille had been purchased recently by a multinational called KKR. The new owner had announced that it would shut the plant and move its equipment to South Carolina. It proposed to give each worker severance pay of one week's wages for every eight years service. Workers over 55 would be eligible for pensions but only able to collect them starting at aged 65. Thirty-eight workers below age 55 had more than 30 years service. In the takeover, Houdaille's President received a lump sum of over a million dollars in addition to deferred compensation, supplementary retirement pay and other benefits.

After taking over the plant, workers occupied it in shifts. To help maintain public support for the plight of the high-seniority workforce, they cleaned the plant, mowed the lawn and trimmed the hedges surrounding it. White persuaded Fraser to provide strike benefits to the workforce despite union fears of lawsuits.<sup>166</sup> At a rally in Oshawa, he promised that the 14,000 members of the GM local there would walk out and come to the aid of the Houdaille workers if anyone tried to force them to

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<sup>166</sup> White (1987) says that this was the only time in UAW history that the union provided benefits in an illegal strike.

leave.<sup>167</sup> When GM, Ford and Chrysler wanted to remove dies that they had in Houdaille's plant, the union refused to let them.

After threatening legal action repeatedly, the company settled on August 21. It agreed to severance pay almost six times the original offer, to pay 30-year workers their full pensions, and to give all workers over 55 a pension at age 60. Takeovers followed at Bendix's Windsor Bumper Plant and at Beach Foundry in Oshawa. The UAW also participated in an Ontario Federation of Labor demonstration at which workers from 30 plants carried coffins and placed them on the steps in front of the Ontario legislature. After holding hearings at which workers described the consequences of plant closings, the Ontario government passed mandatory severance pay legislation. In the future, plants that closed would have to pay workers one week's severance pay for every year of service.

While workers failed to save their jobs, they softened the impact of losing them. Moreover, according to Gindin (1988, p. 30), "these confrontations avoided frustrations over the union's inability to save jobs and rightfully channelled the anger against employers and the government".

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<sup>167</sup> White's assistant pointed out to after the rally that GM workers were on vacation. A GM worker who was camping in New Brunswick later told White: "I had the goddamned radio on and I heard how Bob White was going to empty the GM plants. Man, I couldn't wait to get back to work so I could leave" (White 1987, 176).

They reinforced the solidarity of the union and expanded its confidence in the value of creative militancy right before the major auto corporations began a more wholesale assault on the principles of postwar collective bargaining.

This assault began slowly at small and medium-sized plants. Employers in Canada, like their counterparts in the U.S., took the early 1980 Chrysler concessions as an indication that previously unimaginable variations from pattern might be obtained. Employer demands led to a series of events that the Canadian UAW interpreted as evidence of the dangers posed by accepting concessions. In the first of these events, Canadian workers accepted lower pensions and postponed COLA and annual wage increases at Massey Ferguson in November, 1980 (Yates 1988, 505). In December, the union went into further negotiations with Chrysler after Iacocca told them that without a \$4 an hour wage cut, "the lights will go out" (White 1987, 168). Unlike demands that the union had rejected early in the year because they came from the U.S. Congress, the legislature of a foreign government, these were changes sought by the company through its international agreement with the union. The tentative agreement included a freeze on pensions, further reduction in PPH days, and elimination of COLA. Reflecting their own ambivalence about the contract, Canadian national leaders for the first time in their history decided against making a recommendation to



the membership. Windsor Local 444 members voted against concessions 2312 to 2301; the rest of Canada's Chrysler workers voted in favor of concessions 609 to 363 (Yates 1988, 506).

According to Gindin (1988, 38), the Chrysler "experience really launched the disillusionment with the direction the Americans had taken." Ensuing events reinforced fears that concessions would merely lead to bidding wars among workers for jobs; and that they would weaken workers' support for the union. A plant in Quebec lost 138 jobs to an Ontario UAW local where the bargaining committee agreed to a dollar-an-hour cut in exchange for a promise to hire more workers (White 1987, 170). At another small but not traditionally militant plant, the union found itself accused of forcing concessions down workers' throats by a local that had already accepted concessions once under the threat of closure (Yates 1988, 507-508).

At the next opportunity, on January 31 and February 1, 1981, the Canadian Council debated whether to reject or accept concessions as national policy--in practice, this meant primarily whether the union would reopen existing agreements to negotiate reductions in wages and benefits. White recommended a policy of no concessions based on his understanding of internal union dynamics.<sup>168</sup> With a background as an organizer, White felt deeply that workers under capitalism needed an independent organization to

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<sup>168</sup> This paragraph paraphrases Gindin 1988, 33-35.

defend them against employers.<sup>169</sup> Tactical concessions were one thing; but to retreat in the face of a potential tidal wave of concessions implied that the union could no longer defend workers. Concessions thus

...threatened the very reason for workers joining and building unions. Concessions had to be fought because they were a threat to unions as organizations (Gindin, 1988, p. 34).

White frequently conveyed this view with the phrase, "workers don't need a union to walk themselves backwards. They can do that by themselves" (White 1987, 182).

In recognition of workers' vulnerability, the Canadian Council passed a resolution to create a special fund for workers' forced out on strike as a result of their refusal to accept concessions.<sup>170</sup> It also initiated a no-concessions educational campaign. While this campaign used leaflets prepared at national headquarters and the media to get the union's position across, its central element consisted of meetings with the steward bodies in each major concentration of UAW production. These briefings began with an introduction from White and then a three-hour discussion of the economics of concessions and job security (interview with Gindin, 11/15/88). The briefings armed local leaders and activists with ammunition when anxious members expressed strong fears of job loss. Gindin (in Wells 1986b, 22) explains the logic behind these meetings.

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<sup>169</sup> On this background, see White 1987, 56-80.

<sup>170</sup> Gindin 1988. Yates (1988, 519) dates the creation of a no concessions fund (through contributions of 50 cents per month per member) in June, 1982.

In order to fight concessions, you couldn't just make a top-down decision that you're going to oppose concessions. There was too much of an attack on the membership in terms of warning them that this will mean a loss of their jobs...So the only way you can in fact make the fight against concessions is to start a campaign within the union. It meant that we had meetings of our local leadership and decided that we would collectively oppose concessions so that one group wouldn't undercut another.

The Canadian Council's commitment not to reopen contracts for early negotiations thus preceded the IEB debates about the issue in the second half of 1981. In those IEB debates, White was criticized for having committed himself without prior approval of the board (Yates 1988, 513). When he returned to Canada after the December meeting at which the IEB delegated decisions on reopening agreements to company bargaining councils, White told the District Council,

I predict we will, before this is over, see large numbers of our members attacking each other and fighting each other for jobs. We will have large numbers of our members attacking not the corporations or the governments, but the leadership of our union, and will eventually see them turn against our union as an institution (quoted in Yates 1988, 515).

White blamed division between the leadership and rank-and-file in the U.S. on the

lack of contact between American Regional Directors and their membership. According to White, the existence of the Canadian Council was responsible for preventing similar internal divisions from erupting amongst Canadian Autoworkers.

In a number of cases, the no-concessions policy cost workers' jobs or created friction between the national and

local leadership. At Budd's Kitchener plant on July 2, 1981, the company asked the union to match a one dollar an hour suspension of COLA payments accepted by an independent union, A.O. Smith, in Milwaukee.<sup>171</sup> Without this suspension, the local stood to lose its GM A-frame work and about 600 jobs. Despite this, the local unanimously followed union policy and rejected the cut at a July 5 membership meeting. A.O. Smith won the contract.

In other cases, local leaders defied the national policy. At Long Manufacturing, an Oakville, Ontario parts producer, in late 1981, the local bargaining committee entered negotiations over company demands for reductions in vacation time, lower COLA payments and no wage increases. The company promised to keep the plant open and shift 50 jobs from Michigan to Oakville. White stepped into local negotiations and a recommendation to vote no went to the membership. A substantial majority did so (Yates, 1988, p. 511). In the first half of 1982, local leaders at two parts plants opposed national policy by recommending proposals that replaced COLA with profit sharing (Yates, 1988, pp. 516-517). At a Rockwell plant in Tilbury, Ontario, the membership accepted the new contract despite UAW staff opposition. At an Eaton plant in Wallaceburg, the membership first supported the national union's recommendation to go on strike. After a phone campaign of

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<sup>171</sup> This paragraph is based on Eade and Paterson 7/15/81; Paterson 7/16/81; Eade 7/21/81; and White 1987, 180.

the membership and a meeting from which the national staff were barred, the membership reversed itself. Wallaceburg would be the only Canadian local that stayed with the International union when the rest of the Canadian region formed an independent union (see also White 1987, 326-327).

These events underlined the importance of union education, internal debate and central union leadership to sustaining a solid front against reopening agreements to accept concessions (Yates, 1988, 513). They also made the course of 1982 bargaining after the expiration of the Canadian Ford and GM contracts critical to sustaining the unity and confidence of workers in the no-concessions policy. After the signing of the new Ford agreement in the U.S., Canadian local leaders had encountered uneasiness about the national policy in their plants (White 1987, 191). In this context, the union received a boost from the CLC on May 25. A meeting of 2500 CLC delegates voted overwhelmingly to reject wage concessions. Dennis McDermott, now president of the CLC, announced that the Congress would support the no concessions policy "to the bitter end" (cited in White 1988, 194). The government, however, placed added pressure on the union in June when the federal and then Ontario provincial administration introduced "6&5" legislation. If the UAW did not stay within these wage guidelines, Prime Minister Trudeau threatened, the government would not negotiate with the

Japanese to reduce imports (Yates 1988, 517-518). The prospects of passing local content legislation would also diminished (White 1987, 196).

In late August, the Canadians picked GM as their target company.<sup>172</sup> GM was in less financial difficulty than Ford. The word from the plants was that its workers were also readier to hit the bricks. As the September 15 contract deadline approached, industry layoffs were at a peak. The interest of the International also constrained what the Canadians could achieve at the bargaining table. Fraser told White, "You can have strike authorization...but not if you want to strike over the PPH. We can't handle that over here" (White 1987, 199). GM's new Canadian President, Don Hackworth, inadvertently stirred Canadian nationalism in the union's favor by saying that GM could reduce its Canadian production by 40 percent and still meet the performance requirements of the Auto Pact. Hackworth's remark led one Canadian television commentator to say that companies in other countries had been nationalized for less (White 1987, 204).

An agreement covering the 34,000 workers at GM was reached without a strike (White 1987, 201). While the Canadians accepted the loss of their PPH days, they retained modified AIF and COLA clauses. Unlike the U.S. contract, the Canadian agreement did not explicitly permit

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<sup>172</sup> This account of 1982 GM-Canada bargaining relies on White 1987, chapters 14-16, 186-232.

local unions to modify work rules (or wages) if it would prevent outsourcing. At Oshawa, 89 percent of production workers and 85 percent of the skilled trades approved the contract (White 1987, 209). Public opinion also perceived the union as having emerged from its first independent GM bargaining with a good but responsible contract. The union now turned its attention to Ford. Initially, Ford had stockpiled parts in anticipation of rejecting the GM pattern. Ultimately, it agreed to similar terms. Ninety percent of Ford's production workers and 70 percent of its skilled trades voted in favor of the proposed agreement (White 1987, 212).

The 1980 U.S. and Canadian Chrysler contracts expired on October 15, 1982. Chrysler workers in both countries hoped to regain much of the wage differential with Ford and GM workers that they had lost over the previous three years. Workers were also angry because of the company's desperate efforts to eliminate jobs on the shop floor as it tried to avert bankruptcy.<sup>173</sup> Offered an agreement that included only 25 cents an hour initially plus profit sharing, 70 percent of U.S. Chrysler workers voted no, the first Big Three national contract rejection in UAW history (White 1987, 214). U.S. workers remained on the job,

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<sup>173</sup> This anger was clearly evident at one U.S. Chrysler assembly plant visited by the author in 1983. Here, managers' aggressiveness was fueled by a Detroit order to cut "one head per week" from each major department. Shop floor issues and the heavy use of overtime fueled a strike at Chrysler's Twinsburg, Ohio stamping plant in 1983.

however, because the union felt a strike might sink the corporation.

According to Gindin (1988, 40),

Canadian workers showed no such hesitancy and, by now, needed no push from the leadership: they had suffered the impact of concessions and made the comparisons to their GM and Ford neighbors who had made no concessions; the union arguments against concessions reinforced this; and the very argument that made the Americans fear a strike--that Chrysler could not withstand a long strike--was read as evidence, by Canadians, that they could win.

At Fraser's request, the Canadians did move their strike deadline to November 5.<sup>174</sup> On October 15, despite the postponement of the strike deadline, a group of Chrysler Windsor workers walked out. The same thing happened at the company's Ajax trim plant.<sup>175</sup> In Windsor, when workers talked back onto the job by stewards were told they would be disciplined, a plant-wide wildcat erupted. At an Ajax membership meeting, when White's Administrative Assistant Buzz Hargrove, a former Windsor Local 144 worker, tried to talk to workers, they broke into a chant of "Sell Out."

Workers that had felt the financial and personal pressures that grew out of wage cuts interpreted the strike postponement as a softening in their leadership. They were reassured when the union distributed a leaflet containing a telegram from a member of the Windsor Chamber of Commerce

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<sup>174</sup> Fraser wanted time before the Canadians struck to survey workers on whether negotiations should begin again on November 1 or after the New Year. The earlier date ran the risk of leading to a Christmas strike if talks became deadlocked.

<sup>175</sup> This paragraph is based on White 1987, 215-217.



and White's response (White 1987). The Chamber's letter criticized the Canadians for pursuing a different path than the U.S. union. White replied that the Chamber ought to show more interest in workers getting money that they could spend in the Windsor area. He also told the Chamber that he didn't appreciate its advice on bargaining strategy and asked where they'd been when Windsor workers were forced into concessions in the first place.

For some time, the Canadian union had trouble convincing Chrysler negotiators that it was serious about a strike. On the U.S. side, Fraser had told them that if the Canadian got more than the U.S., the U.S. plants would go down. Right before the strike deadline, Iacocca flew up to meet with White in Toronto. When he heard that the Canadians wanted \$1.15 increase up front, a strike of 9,600 Canadian Chrysler workers was on. When Chrysler threatened to move production to the U.S., Marc Stepp, head of the Chrysler Department in the U.S., told them U.S. employees would refuse to do the work (White 1987, 232). The deadlock broke in December after Fraser joined the bargaining in Toronto. Finally convinced that the Canadians would not lower their demand, Fraser convinced Iacocca of the same thing (White 1987, 238). Chrysler agreed to one-year contracts of \$1.15 an hour wage increase in Canada and 75 cents in the U.S. Canadian workers voted in favor of their contract by over 90 per cent. The next year, Chrysler signed a two-year agreements that expired in

October 1985. For the year left on the 1982 Canadian GM and Ford contracts, the Chrysler 1983 agreement brought Chrysler back to wage parity with the Big Two (White 1987, 250-251).

According to Gindin (1988, 41), "in the story of how Canadian workers developed the confidence to risk independence, the Chrysler strike earned an especially prominent place." The strike showed that, if it could maintain rank-and-file unity, the union still had the leverage to force corporation's to bargain with it. At the same time,

...the Chrysler settlement cemented the sometimes fragile unity amongst Canadian autoworkers. The struggle itself built strong ties between workers from other plants who saw in the Chrysler strike the crucial test of the union's future...Canadian Chrysler workers, who only two years previously had been severely divided on the question of concessions, emerged united and more militant in support of their union (Yates 1988, 522).

The culmination of the series of events that led up to the Canadian split with the U.S. UAW came at GM, the target company in both countries in 1984. By this time, prosperity had returned to the industry. The U.S. union struck 13 plants on September 15 and reached an agreement nine days later. White informed GM negotiators that the lump sum payments, profit sharing and a \$1 billion dollar job bank in the U.S. contract did not fit Canadian conditions (White 1987, 260-261). Aware of the potential political problems a better Canadian agreement might create in the U.S., Bieber warned that he would withdraw strike

authorization and thus withhold strike payments if the only unresolved issue was lump sums instead of a continuation of annual base wage increases sought by the Canadians. Committed in principle and organizationally to avoiding what they interpreted as a concessionary agreement, the Canadian leadership made it clear that they would strike anyway.

Ultimately, the International did not withdraw strike payments. After a six-day strike, the Canadians won base wage increases of three percent in the first year and about one and a half percent in each of the final two years. Militant left-winger John Cloud out of GM-St. Catherine's and other Canadian GM council members thought that the union should hold out for the traditional three percent in each year.<sup>176</sup> They argued that GM's move away from lump sums after only six days demonstrated the union's capacity to achieve the full AIF. White argued that holding out for three percent could lead to a long strike and cost Canada significant investment. He also suggested that holding out could undermine public support for the union--instead of a militant defender of Canadians against U.S. corporations, the union would run the risk of appearing simply greedy. After a four and a half hour debate, the GM council agreed to recommend ratification. Eighty-seven percent of GM

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<sup>176</sup> This account of the Canadian GM council debates is based on the Canadian National Film Board film, Final Offer; and White 1987.

production workers and 83 percent of the skilled trades approved the contract.

Bieber's resistance to pursuit of different collective bargaining demands in Canada led White to conclude after the 1984 negotiations that the Canadian region needed more complete autonomy within the UAW International.<sup>177</sup> Concerned that a single proposal to leave the UAW would divide the region, White put forward two options in his report to the Canadian Council on December 1. He first proposed more autonomy within the International Union: the right for the Canadian region to pursue its own collective bargaining strategy; automatic strike authorization upon request; that all UAW staff in Canada be responsible to and paid by the Canadian office; and that the Canadian region be granted freedom to pursue mergers with Canadian sections of other international unions. If the International rejected this, White said, then the Canadian union should pursue complete independence. In the Council debate, some delegates supported gaining more autonomy but opposed splitting with the UAW. A few proposed a membership referendum. White opposed this on the grounds that it would open "the door for corporate interference and personality clashes" and fragment the union.<sup>178</sup> In a

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<sup>177</sup> This account of the Canadian region's separation from the UAW is based on White 1987, 279-335.

<sup>178</sup> Wallaceburg Local 251 did have a referendum, in spring 1986, that the Canadian leadership did not contest. Around the same time, opponents of the national leadership at Oshawa Local 222 circulated a petition calling for a referendum that gained 5000 signatures. After White

standing vote, only three of 300 delegates opposed White's proposal.

At an International Executive Board meeting on December 10, some board members acknowledged Canada's need for control over its own affairs but argued that granting it within a single union would undermine the authority of the president. It might also lead other regions within the union to seek the same autonomy. Only White voted in favor of granting Canada more complete autonomy within the International Union. After Bieber told other members of the Board that they couldn't reject both proposals, the IEB voted 17-7 in favor of setting up a committee to restructure the International into two separate unions. Negotiating the financial terms of their separation took over three months. Administering the separation took another 20 months. Canadian leaders felt that the separation went as smoothly as it did only because Solidarity House was ultimately afraid that Canada might threaten to stay in the International. Whether the administration could have maintained control of the union without a substantial change in union strategy had the Canadians stayed in we will never know. The Canadian Auto Workers' founding convention took place in Toronto from September 4-7, 1985.

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reviewed these events and described them as "very dangerous" in the Canadian Council, the petitions vanished (White 1987, 326).

The new union created a 12-member executive board consisted of three full-time national officers: the President and Secretary Treasurer elected by tri-annual constitutional conventions; and the Quebec director, elected by Quebec delegates and endorsed by the whole national convention.<sup>179</sup> Seven of the other nine members are local leaders elected by the two council structures; two are chosen directly at national conventions. The new union also preserved the Canadian and Quebec Council structures--although the executive boards of the Canadian Council and of the union as a whole are now structurally intertwined. Yates suggests that this may increase the control held by the leadership over the functions and decisions of the council (Yates 1987, 626).<sup>180</sup>

The Quebec Council was created in 1982 in recognition of the isolation felt by locals in Quebec because of the time and money it took to travel to Ontario, as well as the domination of the Canadian Council by Ontario issues and the English language. The structural parallels between Quebec's position within the Canadian union and Canada's within the International union have sensitized the Canadian leadership to Quebec's desire for autonomy. On the other hand, the CAW, like its parent, remains a centralized

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<sup>179</sup> All of the U.S. UAW's executive board members are full-time Regional Directors or national officers.

<sup>180</sup> Gindin (1988) notes in passing, however, that the Council board's independence from the regional administration had been lost long ago (i.e. in the late 1950s). Canadian Council meetings of the CAW now meet three rather than four times a year.

union. In the independent CAW, and without the shared resentment of Solidarity House, tensions between English and French Canada may come more to the surface.

The new union's first round of independent bargaining with the Big Three in 1987 confirmed its strategic divergence from the UAW. The Canadian's won annual base wage increases of about 1.5 percent at each company plus a major new benefit--improvements and partial indexing of pensions. From a situation of equal nominal wages in 1984, Canadian base hourly wages by 1989 had risen \$2.09 more (in Canadian dollars) than had U.S. wages (in U.S. dollars) (Katz and Meltz 1990).

#### B. The Canadian View of Work Reorganization

In the U.S., company demands in national bargaining were accompanied by local initiatives to gain more managerial flexibility and cooperation from labor on the shop floor. In Canada, too, the major auto corporations began pressing for changes in work rules and the initiation of joint programs after the onset of recession in 1979. The Canadian union's response to these initiatives flowed out of its decision to resist changes it interpreted as concessions as well as its ideological suspicion of labor-management cooperation.

In the first few years of the 1980s, the Canadian union perceived corporate work rule demands as made in the same unilateral spirit as national wage demands.

Corporations argued that labor's historic gains must be rolled back if North American plants were to become competitive in the future. In this context, the Canadians felt resisting work rule demands was necessary to prevent the undermining of local union confidence as well as to prevent preliminary tests of local strength from snowballing into wholesale shop floor reorganization on management's terms. The Canadians also perceived local participation and "training" programs as scarcely-disguised ideological tools for softening workers up so that they would approve wage moderation and work rule changes.

Like the U.S. opposition, as time went on the Canadian union saw more fundamental dangers posed by management initiatives that drew heavily on the Japanese enterprise union model--most explicitly at NUMMI. The President's report to the 1984 collective bargaining convention captures Canadian suspicions.

We have always argued that steps which improve working conditions and recognize the dignity of the worker will, as a side effect, improve the nature of the product. We are interested in programs, experiments, or work-place changes that directly address improving the quality of worklife as a priority.

We are not interested in token programs where management talks about the importance of QWL but is not interested in making any investment in actually improving the quality of worklife. Nor are we interested in productivity programs dressed up as QWL, nor in informational meetings whose sole aim is to act as a vehicle for indoctrinating workers into playing the game of competing with other workers. And we are not interested in new structures which management



will use to undermine the union itself, laying the basis for subsequently undermining our past achievements.

Two of the safeguards that the 1984 Canadian President's report recommended to local unions in participation programs highlighted the union's concern with managements' rights and union independence. The first of these stated that steps must be taken in collective bargaining to increase union information about company operations and future plans and that "limitations must be imposed on management's rights." The second condition stressed that union involvement in QWL programs must include "independent training and education about the pitfalls of such mechanisms."

The Canadian regional leadership did not attempt to enforce a policy prohibiting local union participation in joint programs. In a long debate at a 1983 IPS council meeting, the "overwhelming mood" of the discussion was negative. Budd Kitchener's President, Mike McKinnon--later a service representative for the national union before becoming a U.S.-based consultant on the team concept--was the strongest advocate of the view that expanded labor-management cooperation represented the wave of the future; and that the dependent position of parts locals like Kitchener made it essential for them to experiment with participation programs. Recognizing the pressure on some local leaders and cognizant that global restructuring might require some modifications in the union's plant-level role,

the union adopted a policy of leaving it up to local unions to decide whether to participate.

On paper, the Canadian policy of "it's up to the locals" sounds like the UAW International's position outside the Ford and then GM Department under Ephlin. In the context of the no concessions campaign followed by economic recovery, what took place in Canada was quite different. Participation programs at most of the major Big Three plants came to an abrupt end. Local unions perceived management as manipulating training programs or unwilling to "problem-solve" issues of major significance to workers. As a result, according to Gindin (interview 11/88),

[Ford] Oakville fell apart, [Ford] St. Thomas fell apart, [GM] Windsor Engine fell apart, GM Diesel fell apart, GM Trim fell apart, GM-St. Catherine's never got off the ground--they offered it, company made its pitch and the union said, 'what about...integrating the parking lots?'..."Well that's down the road because we've got to talk about process".

Local leaders tested managers good faith and found them wanting. Once Canadian workers voted formal programs out, they stayed out. Unlike GM and Chrysler workers in the U.S., Canadian locals did not face what Parker and Slaughter (1988) call a "vote until you get it right policy"--they did not find themselves voting multiple times until they got the answer (in favor of team concept) sought by the International in the U.S.

The pace of work rule changes and diffusion of formal cooperative programs in Canada thus remained behind that in

GM in the U.S. and somewhat behind that at Ford and Chrysler. Even without a comprehensive national policy for resisting cooperative initiatives and work rule changes, the preservation of collective confidence in Canadian plants, and corporate fear of provoking a more militant national policy if they used programs in a heavy-handed way probably limited managerial efforts to unilaterally impose their own vision of reorganization.

By the late 1980s, however, the Canadians had accepted substantial work reorganization in situations reminiscent of those in which the U.S. UAW first accepted team work: at the GM-St. Therese assembly plant when it was scheduled for closure in 1986; at the GM-Oshawa complex in exchange for nearly \$2 billion worth of reinvestment; and in order to gain recognition at a GM-Suzuki joint venture called CAMI (Canadian-American Motors Incorporated). The union also acknowledged that pieces of the Toyota production system were making their way into many other workplaces through unilateral management initiatives and informal channels. At the same time, while the dominant mood about management workplace strategy remained one of skepticism and suspicion, much of the union came to believe that the danger was not particular institutional changes such as teams, but what these meant in practice. Gindin (1987) describes the evolution of the union's thinking on this issue.

On the issues of job classifications and work teams, the first response from the militants in our organization was that we must reject any attempt to implement [them]...Both were considered dangerous threats. However, there is a healthy division in the discussion on this within the union...Many of us have worked towards the conclusion that the real issues are not job classifications and work teams as such but, rather, what changes in these areas actually mean for the things that we are always fighting about. What do they mean, for instance, for seniority and transfer rights or job content or speed up or health and safety or softer jobs for older workers and medical replacements who cannot do the assembly line work? And what do they mean for union presence?

Just to reject classifications and teamwork in the abstract is dangerous because it is hard to mobilize against that, particularly if there is a lot of pressure from the corporations on the question of job loss.

As Part IV discusses in more detail, the more subtle diffusion of workplace reorganization in Canada has led to growing doubts about the adequacy of the union's "it's up to the locals" position. In response to these doubts, the CAW National Executive Board (NEB) drafted a "CAW Statement on the Reorganization of Work" that was adopted in a Canadian Council meeting on September 29, 1989. The statement placed work reorganization in the context of broader management efforts to get workers and unions to identify with corporate goals and to accept the overriding importance of "competitiveness." It explicitly underlined the union's view that worker and corporate goals do not coincide and, as evidence of this, pointed to employer opposition to the union's social priorities on a wide range of political issues. The statement acknowledged the

ambiguity of work organization issues that "will not always be black and white" and emphasized that union members will have to constantly analyze the implications of reorganization in specific contexts.

Two days after the September 29 meeting, the union began training a group of 10 activists who will brief local unions on management strategy in the workplace. The union also planned to print 200,000 copies of its guidelines and leaflet its plants. The Canadian union had begun to explicitly debate what kind of national policy and institutional arrangements will be necessary to prevent work reorganization from intensifying whipsawing and leading to plant-level unionism.

### C. Canadian Auto Workers in Politics

As the 1979 recession began, the Canadian UAW enjoyed two advantages over its U.S. counterpart in the political arena. First, Canadian auto workers were less isolated from other workers and enjoyed more public sympathy. While U.S. auto workers were seen widely as an overpaid aristocracy of labor, Canadian auto workers were still seen as pattern setters, their fate intertwined with that of less powerful workers. Second, the political influence of Canadian labor far surpassed the American labor movement's influence through its ties to the Democratic party.

Recent and concrete evidence of the potential for political protection helped sustain resistance to

concessions in wage bargaining in the early 1980s. The limits of the union's concrete success, moreover, led the Canadian union to try a variety of political tactics: syndicalist direct action and political mobilization of its own members; building alliances with small-scale Canadian capital as well as other groups in the fight on the local content issue; and entering into tripartite structures that represented potential preludes to the development of sectoral industrial strategy. Running through these efforts was an attempt to ensure that labor does not pay the social cost of restructuring and, beyond that, to establish a progressive vision of state sectoral policy as an alternative to the conservative political program of free markets and free trade. The question of whether the Canadians could succeed in this attempt remained open after a fight on the U.S.-Canada Free Trade Agreement (FTA) that was lost in the short run; but that was also a high water mark in terms of the union's capacity to mobilize and educate its own members and to build alliances with other progressive organizations (see Part IV).

The idea that political protection was an alternative to concessions when workers faced employment losses and management demands received a boost twice shortly after the recession began. In the first of these cases, as we have seen, the union used a combination of workplace action and political lobbying to obtain better plant closing legislation and severance pay. In the second, when

Chrysler wanted loan guarantees to help avert bankruptcy, the Ottawa government, under union pressure, demanded two guarantees from Chrysler in exchange--promises of no plant closings without Ministry of Industry approval and \$1 billion of corporate investment during 1980-1985. This government demand contrasted sharply with the U.S. case where the Congress demanded more union concessions in exchange for loan guarantees.

In its most critical political demand after the recession--for local content applied to "offshore producers"--the Canadian union fared no better than its U.S. parent. After establishment of a VRA on Japanese imports in the U.S., the Canadian government did negotiate a reduction in Japanese exports to Canada by 6 percent of the 1980 level (the Japanese still had 18 percent of the market). Moreover, despite the failure to achieve local content, the hope of gaining more comprehensive protection played a critical role in sustaining activists' confidence that there was an alternative to concessions (interview with Gindin 11/88).

In the battle for comprehensive local content legislation, the union faced an uphill battle because the federal government switched from a "nationalist" approach to one of "fiscal conservatism" in 1980 (Yates 1988, 504). In this context, the union shifted to what Yates calls an "alliance-building" political strategy in order to broaden its base of support (Yates 1988, 524 forward). Yates

(1988, 532) describes the "alliance-building strategy" as a transition away from a defensive strategy which, along with the acceptance of concessions, would make the unions "scapegoats for the economic crisis;" and towards a "debate over how the 'national interest' would be defined."

On the local content issue, the union approached and received support from the motor vehicle manufacturers and Auto Parts Manufacturers Association (APMA) on a plan to limit the Japanese to 10 percent of the market; and to require Canadian content for any increase beyond that.<sup>181</sup> The CLC Executive Council, the Ontario government, and the Quebec legislature each supported all or part of the UAW position on imports and local content (Yates 1988, 529). By helping to engineer a united position, the UAW prompted the government to negotiate tighter restrictions on imports in August 1982.

At this point, the UAW was invited by Edward Lumley, the Minister of Trade to co-chair a task force on the Canadian Auto Industry with Pat Lavelle, President of the APMA. According to Yates (1988, 540), the report shifted the debate "from union bashing to that of constructing a new form of consultation with the union." The report supported UAW demands for TAB (Transitional Assistance

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<sup>181</sup> The fact that the Big Three were already bound by Auto Pact performance requirements made it easier to get them to support extensions of such restrictions to their multinational competitors than it was for the U.S. UAW to gain corporate support for laws that would create new constraints on the Big Three themselves.



Benefits) for dislocated workers; and for a generalization to offshore producers of the Auto Pact 60 percent content requirements and 1:1 assembly to sales ratio for producers with more than 28,000 in sales. The union disseminated the report's findings through videotapes and staff visits to locals as part of its efforts to define as legitimate a state-interventionist alternative to concessions (Yates 1988, 537-538). Even the President of GM of Canada began openly supporting the task force conclusions (Yates 1988, 539).

Minister Lumley implemented some minor recommendations of the report including the establishment of an Automotive Council to advise government on auto policy; an annual reporting system on the industry; and some encouragement of the parts industry. White became the first chairman of the Automotive Council which shepherded AMC's new \$764 million Brampton plant into being. White also served as co-chair of the Ontario Task Force on Technology (Yates 1988, 550); and of a subsequent Automotive Industries Human Resource Task Force created on January 16, 1985. The Human Resource Task Force's consensus report emphasized the importance of skill development and human resource to developing a competitive strategy that "takes the best of the new models of work organization and tailors them to the Canadian environment" (EIC-Canada 1986, p. xiii).

Despite the support of the federal task force on the industry, Trudeau's resignation in 1984 dashed the hopes

for content legislation (Yates 1988, 540). Indeed, Mulroney's victory in the 1984 election led, to the negotiation of the FTA agreement with the U.S. The FTA weakens Auto Pact protections by phasing out over ten years tariffs on imports from the U.S. that don't meet the performance requirements of the Pact. The only incentive to satisfy performance requirements that will then remain is Canadian duty remission for tariffs on imported parts.

For the two years preceding the November, 1988 election which centered on the FTA, the campaign against the agreement took most of the union's political energies. Sectoral institution-building geared towards reinforcing human resource strategies within auto plants came to a halt. The union mounted a vigilant campaign that built on earlier experience gained fighting against concessions and for local content. Twice during the course of the campaign, the national union presented half-day educationals to stewards assembled stewards in the major concentrations of CAW production. The union framed the FTA debate in terms of the kind of society Canada would become in the future. The union's leaflet on the issue ended with the statement:

Rather than free trade, Canada needs an independent industrial strategy to develop a strong economy, full employment, and adequate social programs. We want to emphasize our confidence in building a different, more progressive society north of the 49th parallel.

Despite the efforts of the CAW, the rest of the Canadian labor movement and their coalition allies, Mulroney gained a majority of the seats in parliament in the late 1988 election. Labor gained a pyrrhic victory because the popular vote for the two parties opposed to Free Trade--the Liberals and the NDP--exceeded 50 percent. The role of the state in the Canadian auto industry of the future and the extent to which the union can break out of defensive arguments against free trade and deregulation remain open.

D. Which Way Now?

As the Canadian union fought against management offensives in the early 1980s, it harbored few illusions about the grandeur of its goals or the permanence of its successes at containing concessions. It understood that it fought fundamentally a defensive struggle, that it

remains a movement trying to carve out some material benefits, a degree of security, a measure of legitimacy within capitalism, rather than a movement for transforming capitalism into a fundamentally different society (Gindin 1988, 56).

The union knew, moreover, that it could not, ultimately, escape the structural economic pressures faced in the U.S. (Gindin 1988). The significance of the split was not that the Canadian region had an alternative more progressive blueprint of a restructured industry that it wished to

substitute for the managerial vision. The significance was that,

...at a time when the defensive capacities of the labor movement were in danger of evisceration, it reasserted Canadian unionism's vitality as an institution fighting on behalf of working people (Gindin 1988, 56).

The Canadian leadership's appreciation of the importance of preserving union independence and solidarity, and of the crisis which began in 1979 as a structural one, turns around the criticism often heard in the U.S. that the Canadians did not understand that the world has changed. In fact, they appreciated more quickly and instinctively that management's "reawakened belligerence" (Gindin 1988) foreshadowed an attempt to redefine labor relations in the industry. As became clear in the battle over free trade, they understood that the critical issue was how the union could marshal the strength to help struggle over "what kind of Canada" would emerge at the end of the structural transition currently underway. By casting the problem in this terms, the CAW led the Canadian labor movement's attempt to

...regenerate the organic progressive politics which sustained it in the past and buy the time which it need[ed] to find institutional solutions to the internal and external pressures it faces (Piore 1982, 19).

The Canadian Auto Workers have not yet discovered the role they want to play in the workplace of the future; how the national union must adapt to a new workplace role; how the place of national, regional and local government must

be reshaped to complement the role of the union at the workplace and sectorally; or what changes in international trade rules and other regulatory institutions are necessary to create space for a production system that does not sacrifice social for economic goals. The CAW has reaffirmed its unity and bolstered the commitment of a core of activists to solidarity that extends beyond the individual workplace. At the very least, if enterprise unionism is to be the result of the current restructuring in the Canadian auto industry, that new structure will not be stable for a long time to come.

Having finished our review of the historical, national and political context faced by North-American auto plants in the 1980s, we are ready for our in-depth case study of reorganization at the Detroit and Kitchener plants of the Budd company.



PART III.

THE BUDD COMPANY:

THE EVOLUTION OF LABOR RELATIONS AT U.S. AND CANADIAN  
PLANTS OF A DIVERSIFIED, INDEPENDENT AUTO PARTS SUPPLIER





PART III. THE BUDD COMPANY: THE EVOLUTION OF LABOR  
RELATIONS AT U.S. AND CANADIAN PLANTS OF A DIVERSIFIED,  
INDEPENDENT AUTO PARTS SUPPLIER

Part III on the Budd Company's Detroit and Kitchener plants serves a dual purpose. It provides empirical support for arguments developed earlier in the dissertation about the evolution of shop floor relations in U.S. and Canadian auto plants between 1945 and 1980. The chapters on contemporary developments at the two plants then move the dissertation from analysis of the decomposition of the first postwar auto sector pattern of development to analysis of the construction of a new pattern. These chapters do this by developing empirically-grounded hypothesis about the possible outcomes of shop floor reorganization in the U.S. and Canada.

The focus on shop floor relations in Part III is valuable in part because it fills a gap in the literature on work reorganization in the 1980s: very little of the published research on the subject relies on extensive shop floor interviews and what does exist does not explicitly explore the connection between the consequences of new managerial labor strategies in the 1980s and historic patterns of shop floor relations.<sup>182</sup> The focus on the shop floor in Part III is also motivated by theoretical

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<sup>182</sup> This is true of the works of industrial relations scholars (Katz 1984; Kochan et al. 1986) and of more critical students of work reorganization (Wells 1987; Parker and Slaughter 1988).

considerations. In chapter one, we argued that the survival of independent, cross-cutting unions is a prerequisite for the consolidation of an inclusive pattern of development--without such unions, the sectoral and political rules essential to contain low wage competition in an inclusive pattern are unlikely to be constructed. The survival of independent, cross-cutting unions, in turn, depends on a plant-level role that generates a pool of activists willing to spend time and energy on the union's efforts beyond the individual workplace; and commitment among members in general so that they support union strategy in political elections and refrain from taking actions locally that would serve their immediate individual or plant-level interest but would fragment the union as a whole. Thus, our empirical examination of work reorganization in the 1980s represents an effort to discover whether it is likely to generate the membership commitment and broad-based collective identity essential in an inclusive pattern of development.

The first chapter in Part III provides background on the Budd company and explores the history of shop floor relations at its Detroit and Kitchener plants. These histories support the hypothesis developed in chapter three that the formal institutions of procedural unionism contained not one but three distinct patterns of shop floor relations. Until the 1960s, Budd's highly decentralized management structure and self-paced quota (or piece rate)

effort control systems proved conducive to the development of organizational patterns of shop floor relations among Detroit's production as well as skilled workers. After that date, the centralization of responsibility for personnel policy in the labor relations department stripped supervisors and superintendents of the autonomy that had previously nurtured continuous negotiation with stewards and other hourly workers over shop floor working arrangements. Nonetheless, even in the 1960s and 1970s, Budd's continued reliance on quotas and piece rates to induce high levels of effort in physically demanding production jobs sustained more collective patterns of relations that typical in Big Three machine-paced production.

As at the Big Three, the similarity between the technology and effort control system at Budd's Detroit and Kitchener plants produced broad similarities in shop floor relations in Canada and the U.S. Important differences in the extent and frequency of collective action emerged between Detroit and Kitchener over time, however, due to factors also relevant to other plants in the two countries: the relative homogeneity of the U.S. and Canadian workforces; U.S. and Canadian leaders' views of wildcat strikes; and the social wage and ratio of auto to other wages in each country.

At the Detroit plant in the early 1960s, financial difficulties, and the support of International union

officers worried that the plant might close, led Budd to try to put an end to frequent interruptions of production and to channel dispute resolution more exclusively into the grievance procedure. After the mid-1960s, this attempt coincided with dwindling plant employment as Budd relocated much of Detroit's production to small, single product plants in rural areas and then the south (table 8.1, figure 8.1). As a result, the frequency of large and, after the late 1970s, even small scale work stoppages declines.

As Detroit employment shrank, Kitchener employment expanded steadily from 1967 to 1979 after Budd opened it to help Ford satisfy the Auto Pact's local content requirements. Faced with an inexperienced local and intent on establishing high effort norms at Budd's new plant, Kitchener managers pursued a much more aggressive approach than did those at Detroit. By the second half of the 1970s, group piece work, employment growth, a young, sexually and racially homogenous white male workforce, and a tight labor market produced work stoppages more frequent than at Chrysler in its most volatile periods. Despite the work stoppages, the regional union administration remained aloof from events at Kitchener until, in 1979, local union officers and rank-and-file militants faced jail for their failure to live up the terms of the contract and law. After participating in a mediation effort designed to clarify the sources of plant-level hostility, regional leaders again left efforts to stabilize plant-level

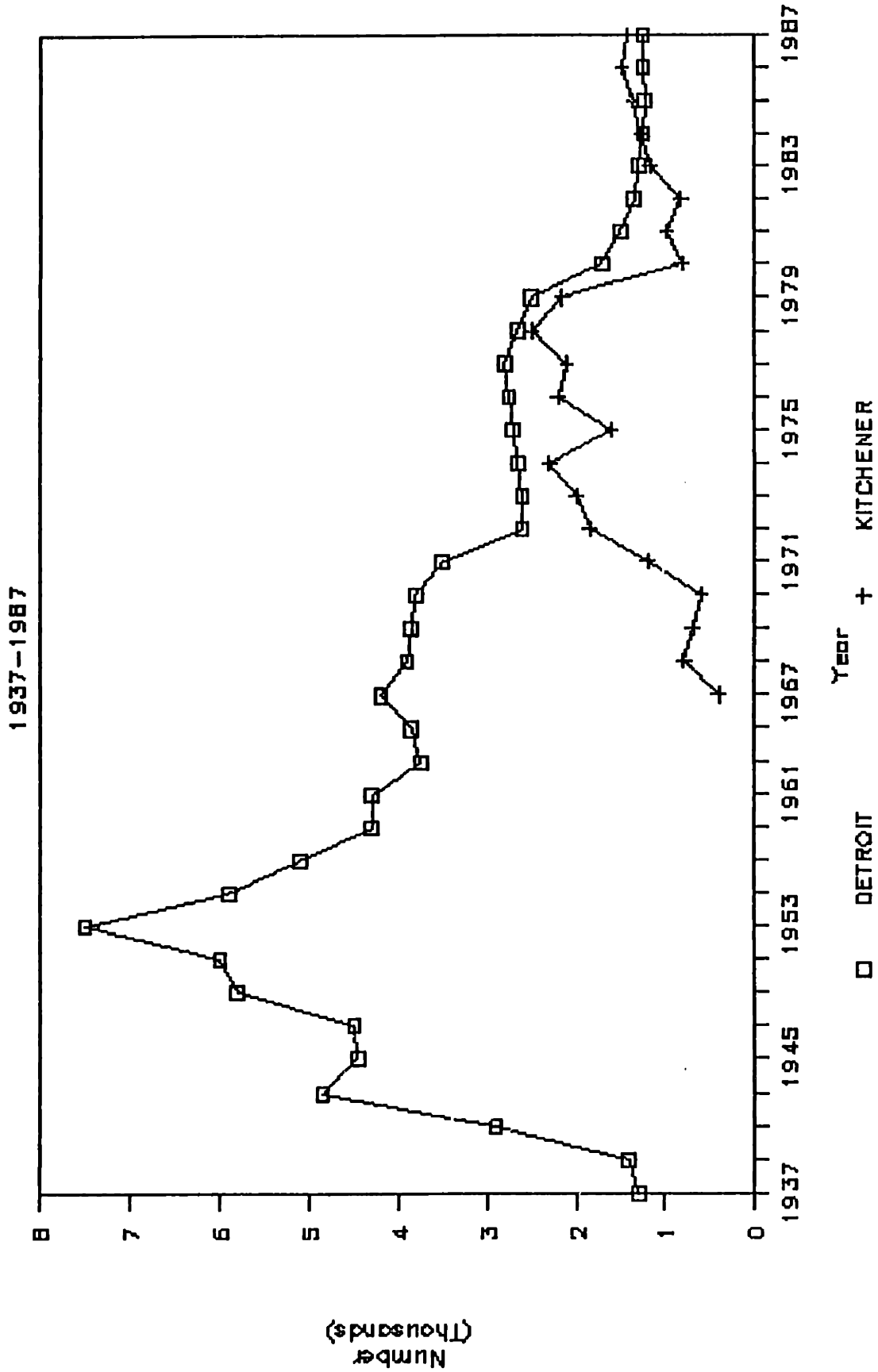
**TABLE 8.1**  
**EMPLOYMENT AT BUDD-DETROIT AND BUDD-KITCHENER OVER TIME**

|      | BUDD-<br>DETROIT | BUDD-<br>KITCHENER |
|------|------------------|--------------------|
| 1937 | 1300             |                    |
| 1939 | 1400             |                    |
| 1941 | 2900             |                    |
| 1943 | 4850             |                    |
| 1945 | 4450             |                    |
| 1947 | 4500             |                    |
| 1949 | 5800             |                    |
| 1951 | 6000             |                    |
| 1953 | 7500             |                    |
| 1955 | 5900             |                    |
| 1957 | 5100             |                    |
| 1959 | 4300             |                    |
| 1961 | 4300             |                    |
| 1963 | 3750             |                    |
| 1965 | 3850             |                    |
| 1967 | 4200             | 400                |
| 1968 | 3900             | 790                |
| 1969 | 3850             | 700                |
| 1970 | 3800             | 600                |
| 1971 | 3500             | 1200               |
| 1972 | 2600             | 1850               |
| 1973 | 2600             | 2000               |
| 1974 | 2650             | 2300               |
| 1975 | 2700             | 1600               |
| 1976 | 2750             | 2200               |
| 1977 | 2800             | 2107               |
| 1978 | 2650             | 2499               |
| 1979 | 2500             | 2148               |
| 1980 | 1714             | 819                |
| 1981 | 1500             | 986                |
| 1982 | 1342             | 827                |
| 1983 | 1295             | 1174               |
| 1984 | 1248             | 1278               |
| 1985 | 1225             | 1366               |
| 1986 | 1254             | 1488               |
| 1987 | 1250             | 1440               |

**NOTES:**

1. Detroit annual employment from 1937-79 estimated based on the voting strength of Local 306 at UAW conventions (locals receive 1 vote for each 100 members). Estimates for 1980 forward based on newspaper accounts and company records. Missing figures interpolated from surrounding years.
2. Kitchener employment figures equal "average hourly employment" as reported in company records. Kitchener's peak hourly employment, reached in 1978, equalled approximately 3100. It's trough hourly employment in the last decade, reached in 1980, equalled 590.

FIG. 8-1: EMPLOYMENT AT THE TWO PLANTS



relations up to the local union. In the mid-1980s, despite a halving of plant employment since 1979, Kitchener workers continued to resort periodically to slowdowns and sitdowns in disputes with management.

After chapter 9 briefly outlines managerial plant-level labor strategy at Budd in the 1980s, chapter 10 relies on in-depth interviews with hourly workers to explore the implications of this strategy in the context of the patterns of shop floor relations left at Detroit and Kitchener by events before 1980. These interviews reveal that the decline of collective action at Detroit brought with it a sharp decline in the prominence and influence of the stewards and pro-union informal leaders so central to the creation and maintenance of collective workplace organization<sup>183</sup>; subtle increases in workforce divisions along generational, race and sex lines; and loss of support for the union among production workers as bargaining committee members' most visible function became fighting for employees threatened with firing under progressive discipline programs. At Kitchener, by contrast, piece rate fights and other confrontations with management sustained the ties among union officials, shop floor informal leaders, and production workers in general. The labor-market situation and social wage in Ontario also made

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<sup>183</sup> As Jefferys (1986, 15) notes, empirical research documents that "Workplace organization is first constructed and then maintained by a layer of key individuals". See, in addition to chapters 8 and 10, the references in chapter 3 and Friedman and Meredeem 1980.

workers less afraid of job loss. On the other hand, there were some emerging cracks in the solidarity left behind by Kitchener's collective patterns of shop floor relations. The union's exclusion from management (and thus predominantly adversarial role) left stewards and informal leaders with nothing constructive to do when the company was not provoking workers. Muted criticism to the effect that some representatives and their most outspoken allies on the shop floor didn't do very much (or their share) now that management had adopted a somewhat more conciliatory approach raised questions about how sustainable a collective identity based only on opposition to management will be if economic pressure in Canadian parts firms makes more workers view collective action that erodes performance critically.

The long-run impact of work reorganization is analyzed in chapter 11. Chapter 11 argues that work reorganization in the 1980s could produce three qualitatively distinct patterns of social relations at the plant level. In these, as in the individualistic, collective and organizational patterns of the past, the shop floor social structure and the role of informal leaders and shop stewards are likely to vary in systematic ways. In the first, non-militant individualistic or "subordinate union" alternative, union officials and shop floor leaders would accept management's view that improving plant-level performance is the key to protecting worker income and job security.



In the second (least productive but not necessarily least profitable), militant individualistic or "autocratic" alternative, a reversion to "drive" management would sustain workers' perception that their interests are different than those of management; but erosion of the union's role in sectoral wage and labor standard regulation and of the labor market position of semi-skilled workers would produce a further weakening of workers' collective traditions (and the position of individual militants) beyond their fragile place under procedural unionism. The third alternative represents a modern variant of the organizational pattern found in parts of Budd-Detroit in the past. In this model, workers' retain an independent, collective orientation and the union gains an expanded management and planning role for shop stewards and hourly team leaders. From management's perspective, this structure would solidify worker commitment to negotiated cooperation to improve productivity and quality. From the union's perspective, a role in production management would give informal leaders and stewards an organic link with workers on the job independent of the outbreak of conflict with management. It would, in the process, preserve the independent, collective orientation among workers necessary (although not sufficient) to support union activity beyond the plant at the sectoral and political level.

In our case study plants, as more generally, the direction of labor relations in the 1990s will be

critically shaped by local history, management strategy, national union strategy, and the economic and political context. At Detroit Local 306, in the absence of an alternative, union-wide or political approach to protecting its future, the local union in the late 1980s appeared likely to depart progressively further from the Big Three wage pattern and to adopt the team concept. While the national political and economic context may facilitate introduction of teamwork on management's terms, past patterns of shop floor relations and managerial approach will also have something to say about the consequences of team work. Historic managerial practice and worker suspicions of management stemming from the gradual erosion of informal shop floor cooperation in the past three decades--and reinforced by black workers' views of the white power structure--may impede the consolidation of cooperation characteristic of subordinate unionism and lead instead to a reassertion of more autocratic patterns once work rules have been diluted. The memory of a more worker-controlled form of teamwork that prospered until Budd centralized personnel responsibilities in its labor relations department (and that survived after that in parts of the plant) could also encourage the recreation of organizational patterns of shop floor relations. Except among skilled workers and isolated pockets of critically-placed semi-skilled workers, nonetheless, a negotiation pattern is unlikely to survive in the absence of

complementary developments in national union strategy and politics.

At Kitchener, long-run developments remain more ambiguous. Despite similar sectoral economic pressures, a move towards subordinate unionism is unlikely in the short run because of the better labor market position of Canadian semi-skilled workers, the national union's skeptical views of wage moderation and labor-management cooperation, and recent conflicts at Kitchener itself that have reinforced division between workers and management. As at other plants, these local conflicts have discredited institutional forms such as teams and joint committees among union militants and made it harder for proponents of negotiated cooperation to win internal political debates. For historical reasons and because it has more "flexible" options in the U.S., management at Kitchener also seems unwilling to initiate a more open negotiation about the long-run priorities of union and company and the changes in labor relations and work organization necessary to achieve those. Thus a collective pattern of shop floor relations (how volatile depending most on management actions) appears likely for the next several years.

In the longer run, the emergence of a negotiation model at Kitchener depends on how much economic conditions and state policy induce management to invest in a plant that retains a strong union; and on whether the union can move beyond resistance to defining the modifications to

management's vision that would preserve its organizational integrity and ties to workers, while simultaneously offering management improvements in performance. Will labor strength in Canada ultimately produce negotiated cooperation or confrontation followed by disinvestment and perhaps by management-defined flexibility imposed on a dwindling workforce?

CHAPTER 8. LABOR RELATIONS AT BUDD: 1910-80A. Company History

Budd's position in the auto industry and its competitive strategies and fortunes provide the context in which its labor policies have evolved. Edward G. Budd founded the Budd Manufacturing Company in Philadelphia in 1912.<sup>184</sup> Like many automotive pioneers, Edward Budd and other early company managers began their careers as shop floor engineers or skilled workers. The company founders' product and process innovations, including the all-steel body, fueled Budd's early growth.<sup>185</sup> As the industry reached technological maturity, Budd relied increasingly on producing parts required quickly or in volumes too low and uncertain to suit their customers' dedicated, high volume components operations. In stamping and framing, for example, Budd manufactured luxury car stampings, truck frames and replacement parts. A high concentration of skilled workers and a residue of engineering talent in management enabled it to get new body panels to market and switch stamping dies more rapidly than dedicated Big Three facilities. Budd shared the market for moderate volume parts with a small number of other major suppliers. In

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<sup>184</sup> Unless otherwise referenced, material in section 2 comes from Courtenay's 1987 Budd history, commissioned by the company on the occasion of its 75th anniversary.

<sup>185</sup> For details on Budd's technical innovations, see Courtenay 1987 and Abernathy, Clark and Kantrow 1983, 159 and 162.

framing, the car companies traditionally split production of new frames between two suppliers out of Budd, A.O. Smith and Hays-Dana corporation (Sloan 1985).

Innovation and production of new or medium volume parts served Budd well as it expanded into a range of auto parts markets in its first five decades. When Edward G. Budd died in 1946, company employment had grown to 21,751. The Detroit "mini-Rouge" alone included a foundry, hub and drum operation, brake assembly area, stamping, chassis, and wheel production. Despite some diversification, in 1957, auto parts accounted for roughly 80 percent of Budd's employment and sales. The levelling off of auto industry growth, rising car imports and a trend towards vertical integration among assemblers increased the competitive pressure on Budd in the 25 years after the late 1950s. Vertical integration represented the outcome of the decline of the least integrated of Budd's traditional customers--Studebaker, Nash, Hudson and Packard--and the sourcing strategies of the remaining assembly giants. In 1960, for example, Budd lost its most profitable contract when Ford pulled production of the body for its highly successful Thunderbird back in house.

Beginning in 1963, Budd responded to the economic difficulties that stemmed from these market pressures by pouring \$43 million into the Detroit plant as well as trying to stabilize labor relations and rationalize shop floor work organization. In the last three years of the

1960s, Budd spent another \$200 million to refurbish older stamping facilities in Detroit and Gary, Indiana (opened in 1952) as well as to expand the recently opened Kitchener, Ontario framing plant. In 1970, Budd had a total of 22 plants in North America. Its five stamping and framing facilities--two in Philadelphia, Detroit, Kitchener, and Gary--employed almost two thirds of the company's 17,000 workforce. Budd's Stamping Division was by far the world's largest independent supplier of car and truck frames.

Beginning in the late 1960s, partly in response to labor problems at its large, urban production centers, Budd complemented reinvestment in its existing facilities with a second strategy. It began moving the older plants' less profitable product lines to new, smaller facilities south of traditional centers of labor militance.<sup>186</sup> The movement to smaller, more decentralized operations throughout the 1970s paralleled developments throughout the North American parts industry. Employment at Budd in 1978 returned to the 1946 peak of 21,000.

Three events have shaped Budd's future since the late 1970s: its purchase by Thyssen, the West German

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<sup>186</sup> This began in the 1960s when the company built the \$6.5 million Clinton, Michigan Hub and Drum plant to produce disc brake components. In the 1970s, at its Detroit plant, Budd closed the wheel foundry, the passenger wheel department and the hub and drum operation. In the same decade, Budd bought and built foundry facilities in Wisconsin, and constructed a new wheel plant in Franklin, Ohio, a hub and rotor plant in Ashland, Ohio, and, a hub and drum plant in Johnson City, Tennessee. As it expanded into plastics materials development and manufacturing, Budd built small plants in Carey, Ohio and North Baltimore.

manufacturing conglomerate; the auto recession; and the fundamental restructuring of the auto supplier industry initiated by the major assemblers during the recession. Thyssen, which in 1986 had sales of \$15 billion and 151 subsidiaries, acquired Budd in 1978 for \$295 million. Like Budd, Thyssen stamps auto body parts. Thyssen also develops and produces materials and capital equipment used at Budd plants, including lightweight steel sheet, flexible manufacturing systems, transfer lines for automobile manufacturing, and high technology welding equipment. From the integration with Thyssen, Budd gained financial as well as technological support, and protection against cyclicalities through its incorporation into a diversified company with products in a broad range of industries. Thyssen gained a base for expansion in North and South America. It also gained access to Budd's plastic materials and process technology. Thyssen left the day-to-day management of Budd in the hands of the new subsidiary's existing management. With the exception of the Chief Executive Officer, who retired, Budd's management remained in place. A Thyssen executive became Budd's Vice Chairman and Chief Financial Officer. On the Board of Directors in 1986 sat five managers of Thyssen, six outside directors, and three top managers of Budd, including the Chief Financial Officer.

In the recession of 1979-1983, Budd suffered substantial losses in all its major divisions. In 1982, it



lost over \$120 million, about 10 percent of sales. The Stamping and Framing Division lost just over \$10 million. As well as the general fall in demand, Budd's stamping and framing operations lost money because Ford recalled a substantial fraction of a Detroit plant \$50 million door welding job back in-house; and the OEMs substituted unitized bodies for full frames in passenger cars as part of efforts to conserve weight and improve mileage (Sloan 1985).

Faced with losses and a rapid fall in demand for one of its major product lines, Budd retrenched. It shut the Gary, Indiana facility in 1982. It consolidated frame production from one Philadelphia plant into the more modern Kitchener facility. In 1983, it moved its truck wheel production operations from Detroit to the Frankfort, Ohio plant. It slashed its hourly and salaried workforce by 30 percent. To keep Budd afloat, Thyssen funnelled \$150 million to Budd. With Thyssen's other operations reduced the conglomerate's overall risk, Budd also concentrated increasingly on its core, automotive parts businesses. By 1985, Budd returned to profitability and had about 2 percent of the U.S. auto parts market. It was the second largest independent auto parts supplier in the U.S. behind Borg Warner and the only one of the top four concentrated primarily on the automotive market. In 1986, Budd had net

sales of \$1.2 billion.<sup>187</sup> Employment in 1986 equalled 14,000, 11,000 in North America.

The pressure on Budd has continued unabated since the recession as a result of the restructuring of the auto supplier industry. Twelve years ago, U.S. auto parts suppliers bid among one another for short-term contracts with assemblers based on cost. Today, the auto assemblers want their "first tier" suppliers to improve quality, take more responsibility for product and process engineering, deliver more frequently and in smaller lots, and reduce costs substantially (Cole et al. 1985). They also want first tier suppliers to act as intermediaries with smaller, lower-tier (and usually lower wage) suppliers. Since Budd retained some responsibility for process engineering and often produced parts for extended periods of time throughout the postwar period, supplier industry restructuring represents a less dramatic change for Budd and other producers of major body parts and frames than for most suppliers.

As Budd's Stamping and Framing Division attempts to meet the demands of its customers, it faces four groups of competitors: the stamping plants of the assembly companies themselves; the plants of Budd's traditional independent rivals; the in-house stamping shops of Japanese transplant

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<sup>187</sup> The information in the previous three sentences is from ITC 1987, 3-1 and 3-4.

assemblers; and new non-union suppliers, many of them Japanese transplant suppliers.

The stamping facilities of the Big Three have the greatest share of the overall U.S. market for products manufactured at Detroit and Kitchener.<sup>188</sup> Although some analysts anticipate vertical disintegration in the long run, the Big Three's own plants are currently formidable competitors for Budd because the job security programs in their 1987-88 UAW contracts encourage the Big Three to keep work in-house; and because of the labor-management cooperation programs that have been adopted in tandem with job security programs.

While some of Budd's traditional competitors such as Active and Allied have fallen on hard times, most of the the major ones are still attempting the same type of revitalization as Budd itself. Hayes-Dana's chairman announced in 1987 that the company would attempt to maintain its profitability at non-union plants: i.e. that it would close its 30 remaining non-union facilities in the U.S. (it had 60 a decade earlier) and open small, non-union satellite plants near its customers' facilities.

Each of the Japanese transplant assembly plants contains an on-site stamping shop that supplies adjacent welding lines on a just-in-time basis. As a result, increases in Japanese transplant market share tend to

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<sup>188</sup> According to Dan Luria (personal communication), GM has about 13, Ford six and Chrysler three stamping plants.

reduce the business available to Budd and other independent parts firms. New, non-union suppliers also compete with Budd's stamping and framing plants. Until recently, the most rapidly growing non-union supplier was Canadian-based Magna corporation--a company that's corporate structure looks like a blueprint for "flexible specialization" (Piore and Sabel 1984).<sup>189</sup> Most new, non-union suppliers, however, are Japanese firms that have followed their traditional suppliers to the U.S. but planned their capacity in the expectation that they would win some business with the Big Three. Ogihara, a Michigan stamping plant took some Big Three business from Budd when it won contracts to produce a few luxury parts for Ford (before its construction was even completed) in the late 1980s. Taking into account projected vertical disintegration by the Big Three, and projected growth in the market share of plastic body parts and transplant assemblers, the Auto-In-Michigan (AIM) Newsletter predicted a net decline of 12 percent in value-added outsourced by the Big Three from 1984 to 1990.<sup>190</sup>

In response to competitive pressure and new customer demands during and after the recession, Budd has made a

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<sup>189</sup> Started by an Austrian tool-and-die maker, Magna's sales grew at a nominal annual rate of 25.5 percent from 1978 to 1984 (i.e., during the recession). In 1984, 16 of its 72 plants, and 1440 of its 5080 employees, were in a manufacturing group that stamped and welded body parts.

<sup>190</sup> These estimates were made before the 1987 UAW contract that has reportedly slowed the rate of vertical disintegration.

variety of organizational changes.<sup>191</sup> It has trimmed its corporate headquarters staff and increased the operational autonomy of its six operating divisions--Stamping and Framing, Plastics, Wheel and Brake, Aftermarket, Polychemical, and Diversified Products. To provide its customers with more product and process engineering support, as well as provide assistance to plants incorporating new technology, the company established a Technical Center in Auburn Mills, Michigan and an automation research facility in Sterling Heights, Michigan. It created a new post for a Corporate Vice-President of Technology. To foster cooperation between workers and managers in its plants, it created a corporate manager of employee involvement in 1983, broadening his responsibilities and changing his title in 1987 to Corporate Manager of Employee Development.

Within its Stamping and Framing Division in the 1980s, Budd consolidated its headquarters, sales, and engineering efforts in Rochester, Michigan. The Division's established organized plants (Detroit, Philadelphia and Kitchener) incorporated some new technology, and attempted to modify their operating practices, work organization and labor

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<sup>191</sup> In some respects, these organizational changes--and the role suppliers are now being asked to play in the industry--parallel Budd's role and structure in the early decades of industry development. They run somewhat counter to the reduced technological emphasis, corporate centralization and functional specialization that characterized Budd's evolution in the heyday of mass production (especially from about 1960 forward).

relations. The Philadelphia plant is considered the most likely of these plants to shrink. A new investment is now being implemented there, nonetheless, in exchange for the introduction of teams in an assembly area containing the new capital equipment. Budd's two other established stamping plants are both strategically located to attract new business. The Detroit plant has substantial space available on its first floor and is across the street from the Chrysler Jefferson plant. The Chrysler local signed a team contract in exchange for new investment in July, 1986, although in 1990 there was still some question about how much expansion would actually take place at Jefferson. Budd-Kitchener is within 15 miles of a new Toyota plant in Cambridge, Ontario which has assembly capacity of 50,000 to 100,000 cars. Budd also constructed a 350-person, so-far non-union plant in Shelbyville, Kentucky. This plant is relatively close to the GM-Saturn facility in Spring Hill, Tennessee, the Toyota plant in Georgetown, Kentucky and the Nissan plant in Smyrna, Tennessee.

Budd has not pursued the offshore option. In 1987, except for two wheel and brake plants in Argentina and a plastics facility in West Germany, all of its plants were in the U.S. and Canada. Earlier in the 1980s, Budd divested itself of a minority share in two Mexican wheel and brake facilities.

B. Collective Bargaining at Budd, 1936-1988

In 1936, Detroit became the first Budd plant organized by the UAW. Philadelphia followed in 1945. Initially, each of the Budd Locals negotiated separate contracts. Meetings between leaders of the Budd Detroit, Philadelphia and Gary locals at the 1955 UAW convention in Cleveland laid the groundwork for the establishment of the Budd Council and Department, and for a national master contract. Beginning in 1958, as in the Big Three, this national contract dealt with base wage increases, COLA payments and benefit issues. Local negotiations dealt with work rules, working conditions and, at Budd's incentive plants, rate setting.

Budd's master agreements followed the Big Three wage and benefit pattern closely from 1958 to 1982. Budd's smaller, organized U.S. plants such as Clinton, Ashland, Frankfort and Johnson City generally signed separate first contracts at wage levels below the national contract. The four plants were brought into the master agreement (and their wages and benefits improved towards those at Detroit, Gary and Philadelphia) in 1971, 1978, 1978 and 1985, respectively. Kitchener never officially became part of the master agreement in the U.S. between Budd and the UAW. It did sit in on national negotiations in the U.S. and, following the Canadian Big Three pattern, gained wage "parity" with the U.S. in a nine-week strike in 1968.

The first strike during the Budd national negotiations took place in 1980 and lasted 27 days. In the 1980 contract, the union gained voluntary recognition of the new, Johnson City plant and a promise to incorporate the plant into the next national master agreement (fulfillment of this promise was postponed to the 1985 contract in 1982). The 1980 and later contracts also included a contractual letter in which the company agreed "to observe a position of neutrality" in UAW efforts to organize "production and maintenance employees traditionally represented by the UAW elsewhere in Budd" (meaning its Wheel and Brake Division and Stamping and Framing Division employees.)<sup>192</sup> Transfer and preferential hiring rights negotiated in earlier contracts made it likely that UAW-represented employees would constitute at least a small part of the workforce at new plants in these divisions (e.g. Shelbyville) and thus form a core of support in

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<sup>192</sup> 1980 contract, 87-92. Another contractual letter generalized Budd's neutrality commitment to organizing campaigns throughout the company but also said "The Company and/or its representatives will communicate with our employees, not in an anti-UAW manner but in a positive pro-Budd manner." Unlike the first letter, which may have carried with it the implicit understanding that the company would accept a majority card count as evidence of employee preferences for a union, the second letter pledged the company to help "expedite an NLRB election." The second letter also said, "In addition, we reserve the right to speak out in any manner appropriate when undue provocation is evident in an organizing campaign."



organizing efforts facilitated by the neutrality clause.<sup>193</sup>

In April 1982, following the early renegotiation of the 1979 Ford and GM contracts, Budd and the UAW reopened their 1980 agreement and signed a pattern contract deferring three COLA payments and eliminating PPH days (USDOL, CWD, July 1982). Following the Canadian pattern, Kitchener refused to reopen its agreement. As on the occasion of the five other contract expirations at the Kitchener plant, when its 1980 contract expired in early 1983, the Kitchener local struck to obtain a new contract-- this time one that accepted only the loss of PPH days agreed to in the Canadian GM and Ford contracts.

In November 1982, with losses mounting, Budd asked for further financial concessions under the U.S. master contract. President and CEO Jim McNeal spoke to the workforce at all the plants covered by the agreement. Following the policy articulated by UAW President Fraser in 1981, the union insisted that Budd open its books so that it could see if further concessions were necessary and justify them to its members. When the company chose not to open its books, the existing contract remained in force.

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<sup>193</sup> Transfer rights guaranteed UAW employees the right to move with their jobs if specific departments or operations were transferred (1971 contract, 13). Preferential hiring rights were first written into the 1974 contract (82). The 1980 contract (103-104) contained a new letter of understanding outlining a procedure for effecting preferential hiring rights for Budd's current UAW employees at "new manufacturing facilities" producing the same products as those under the master agreement.

By 1985, the company agreed to allow the International UAW to examine its financial situation. The 1985 national Budd agreement in the U.S. achieved what Bob Wangbichler, the Corporate Vice President for Employee Relations called the "first significant deviation from pattern." As at Ford and GM, Budd workers received lump sum increases instead of a percentage increase. Rather than the two and a half percent at Ford and GM, Budd workers received an annual two percent lump sum with no profit sharing (USDOL, CWD, 5/85). The contract also diverted 35-45 cents per hour over the course of the agreement (i.e., about half of annual COLA increases) to help pay for benefits. To deal with Budd's underfunded pension scheme, the union agreed to lag by 12 months the beginning of pension payments upon retirement. The 1985 contract also reduced the payment schedule by 25 percent. Finally, life insurance and accident and sickness premiums paid by the company were converted to a flat rate rather than a percentage of the base wage. The four-year agreement signed in January, 1988 included three lump sum payments in four years and continued the diversion of about half of COLA payments. Unlike the Big Three agreement, it contained no base wage increase (USDOL, CWD, 4/88). In 1985 and again in 1988, the Budd-Kitchener local approximately followed the Canadian Big Three pattern. It won base wage increases in both agreements, a reduction in mandatory overtime from eight to six hours in 1985, and improvements in pensions for retirees in 1988.

Plant and corporate management at Budd believe that further reductions in wages are necessary for its established plants to remain competitive in the restructured auto supplier industry. In Wangbichler's view (interview 11/88).

We've got a cost problem in our industry that's a product of the pattern bargaining process...For the good of all, employees, union, and ourselves..., we have to continue to deviate from the pattern, establish a cost base that is clearly lower than that of the original equipment manufacturers that we principally supply.

Managers argue that the piece rate system has led to particularly inflated wages at Kitchener and Philadelphia. Total compensation at the older plants of Budd and other established suppliers is also high because of retiree pensions and insurance payments. As of early 1987, Budd had about two retirees for every active worker. New non-union and Japanese transplant suppliers do not have any pension costs in North America.

As well as negotiating wage and benefit questions, beginning after the 1982 contract round, corporate headquarters and the UAW International began to play a bigger role in the modification of work practices at the local level in the U.S. Meetings among Wangbichler, UAW IPS Department Vice-President Odessa Komer and staff representatives of the International identified the Philadelphia plant as the company's major problem. In 1985, the group invited the president of the Philadelphia local to attend the International meetings with the

corporate industrial relations department. These meetings led to the negotiation of the agreement to introduce teams (and eliminate the incentive system) in a refurbished part of the Philadelphia plant. As of late 1988, the agreement specified that workers in this section of the plant would be paid an hourly rate of \$13.50.

C. Plant-Level Labor Relations at the Budd Company

Budd's major stamping and framing plants in Detroit, Philadelphia, Gary, and Kitchener all had unusually strong shop floor unions at some point in their histories. Shop floor union strength at Budd's plants stemmed from the company's decentralized management, Budd's worker-paced (and interdependent) stamping and assembly lines, the physical demands of stamping and framing jobs, and the company's dependent position in the auto industry. The first three of these factors led Budd managers to self-consciously employ a different approach to effort regulation on the shop floor than the machine pacing used on Big Three assembly lines.

Budd's decentralized, autocratic management style was strongly shaped by the attitude of its founder. One long-time Detroit union official, who came to the plant four years before Edward G. Budd died in 1946, remembers Budd as a "kindly tyrant" with "great engineering skills" who considered his workforce "like a family" (interview with Erwin Baur 3/88). Budd had a strong antipathy towards

independent unions. His response to an attempt by the American Federation of Labor (AFL) to organize the unskilled and semiskilled workers at Budd's Philadelphia plant in 1933-1934 illustrates this attitude.<sup>194</sup> Though "he would have preferred 'to have gone on the old way,'" Edward Budd established a company union after the AFL chartered the Budd federal labor union on September 13, 1933. When 1000 workers in a total of 4000 stuck for recognition on November 13, Budd hired replacements.

The National Labor Board (NLB) concluded that the company's actions potentially violated the self-organization provision of Section 7(a) of the National Recovery Act (NRA) and that strikers should be reinstated without discrimination and with priority over replacements. Budd, however, would only express the hope that he would be able to re-employ workers as business improved. He privately told a Ford executive that he was not inclined "to take these strikers back excepting a few at a time as we are convinced of their loyalty". The leaders of the strike "would never be permitted in our shop." Further indicating Budd's awareness of the role of shop floor militants, Budd's attorney "expressed concern to the NRA about the tendency of 'the striking kind' to soldier on the

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<sup>194</sup> This and the following paragraph (including quotes) are based on (or taken from) Fine 1963, 197-202. Fine notes that some of Budd's skilled workers, including its pattern makers and machinists were already organized by 1933. These workers gave little support to the organizing attempt of semi-skilled workers.

job (and) the probability that the strikers if re-employed would 'stir up further trouble.'" Without recognition of the union, the dispute was settled as a by-product of a general settlement on March 29, 1934, which headed off a contemplated widespread automobile strike. Budd agreed to rehire one striker for every two men in the production and shipping departments.

A decentralized approach to labor relations continued to characterize the Budd company after the death of its founder in 1946. From 1946 to 1967, Edward G. Budd Jr., himself a four-year machine shop apprentice, served as Chief Executive Officer. While financial analysts and business school graduates rose to power in larger companies, Budd's top managers remained "product men," many like "Young Budd" second or third generation offspring of company founders. Power and the priorities of company management shifted only slowly as college-educated management trainees hired three-a-year beginning between 1947 and 1950 made their way up the hierarchy. Most of even these managers were required to pay their dues for four or five years on the shop floor. Personal connections remained critical to advancement in the company as aspiring managers "hitched their apron strings" to a "mentor" or "Godfather" who then watched over their progress.<sup>195</sup>

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<sup>195</sup> Words in quotation marks come from interviews with various Budd managers in 1986-1988.

Indicative of the personalized and non-bureaucratic nature of company management, corporate industrial relations only belatedly gained the authority and stature at Budd as it had at General Motors. Within its plants, shop floor relations varied considerably as superintendents and foreman retained more authority than analogous figures in the Big Three. While Budd's autocratic approach bred worker solidarity in opposition to management, its decentralization provided the space within which small scale collective action and shop floor negotiation with supervisors could become entrenched.<sup>196</sup>

As well as decentralized management, worker pacing and the group piece work or quota systems at Budd's stamping and framing plants also promoted work group cohesiveness and union strength. Especially before the 1980s, the jobs of press operator and assembly welder involved lifting heavy parts and/or welding guns throughout the day, often in close quarters with several other workers. Any individual could slow down production in Budd's interdependent, worker-paced work groups; if either assembly or press operations halted production, depending on inventory levels, they could quickly jeopardize

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<sup>196</sup> Budd's CEO noted in 11/88 that a generation of management grew up dictating to a first generation immigrant workforce in "desperate economic need that would not question the management." Many of the same managers then found themselves confronting second and third generation immigrants during and after the depression. Of course, it is not this that distinguishes Budd from the Big Three but rather the company's response.

production in the plant's other major department. Attempting to force workers to work steadily throughout the day for a fixed hourly wage would have given them a common interest in slowing down production and, in this technological setting, run the risk of generating very low output levels. Rather than attempt this, therefore, Budd management operated the Philadelphia, Gary, and Kitchener plants on piece rates. While Detroit adopted a fixed hourly wage after unionization, it adopted a fixed quota system rather than attempt to require work from the opening bell to the final whistle. With a low enough quota, workers had an incentive to work at maximum pace early in the shift so that they could "make out" (finish the quota) one or more hours before the end of the day. From management's perspective, the challenge was to set the quota or incentive rate just high enough to make a group of workers (and thus peer pressure) feel the income or time-off reward of maximum effort early in a shift worthwhile. In addition to securing high effort levels, the self-supervision induced by quotas enabled Budd to hire few supervisors and economize on the cost of floor management. Except for periodic interruptions during struggles over how many parts workers would have to make, the incentive and quota systems enabled the company's production-oriented management to focus on engineering issues.

Taking into account the functional equivalence of quota and piece rate incentive systems, what Lewchuck



(1989, p. 35) says of British auto industry (including assembly company) managers early in the 20th century was also true of Budd's managers until at least the 1960s.

They

...could not envision a production system without a direct link between wages and output as a check on labor behavior and as an aid to factory coordination. The Fordist notion that both could be embodied in a system of machine operation did not suit the particular needs or the general world view of British managers.<sup>197</sup>

After unionization, physically demanding work, self-paced work groups, and foremen with authority to bargain over rates or quotas, discipline and other shop floor customs translated into traditions of continuous fractional bargaining at all of Budd's stamping and framing plants. The evolution of work group bargaining went hand-in-hand with the emergence of informal leaders and the consolidation of a powerful network of shop stewards.<sup>198</sup> Informal leaders and shop stewards played a central role in

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197 In a sentence that underlines that Budd managers anticipated attempts to move away from piece rates and quotas at Shelbyville and especially at its established plants will not be a trivial undertaking, Lewchuck (1989) adds: "The managerial debacle associated with the industry's shift to measured day work in the late 1960s...suggests that management's reluctance to directly control shop floor organization may have been well founded."

198 The existence of "informal leaders" in addition to shop stewards depends partly on the steward ratio. Production stewards at Kitchener, for example, represent about 75 workers each. Informal leaders provide stewards with links to smaller groups of 10 to 25 workers. Even with a low steward ratio, informal leaders may be highly visible if time off privileges mean that stewards are often absent from their work area; or if contractual obligations for controlling work stoppages give stewards an incentive to absent themselves when these take place.

discussions within work groups about how many parts to make. They also negotiated with floor managers about adjustments to the quota or piece rate and in negotiations over working conditions, overtime and vacation scheduling, and discipline.

Workers' leverage in battles over piece rates and quotas is particularly great in independent parts firms. In contrast to assembly plants, auto parts managers cannot always take the long view when faced with work stoppages. Enduring a long strike to discipline militants and force workers to retreat to less overt actions risks shutting down their customers' assembly lines. Especially during the early postwar boom, the assembly companies cared more about a steady supply than about cost. At times, this meant Budd could wait until the resolution of a piece rate or quota battle before finalizing the selling price.

Budd's position in the auto industry had two other consequences that enabled its workers to build and sustain traditions of shop floor bargaining. Shop floor actions at Budd posed less threat to the stability of the Big Three bargaining arrangement than similar events at prominent Chrysler, Ford and GM plants. As a result, the International authorized strikes over mid-contract disputes more willingly than at Dodge Main during Chrysler's attempt to dismantle collective traditions there. Lastly, at the diversified Detroit facility and to a lesser degree at its

other stamping plants, Budd had a higher percentage of skilled workers than assembly plants.

#### D. Detroit Plant Labor History

When I hired in here [in 1947]..., the Hudson Motor Company was just across...here...And right in the open field...here was a stamping plant. Cumberland Motors was right down the street. This railroad track down here was Bower Roller Bearing. Right across the railroad tracks over there was Borne Aluminum. Across Mack Avenue over there, that was Briggs Manufacturing Company...Right next door to that was Motor Products...All those places were humming...But there's nothing now standing but this plant.

Chief Steward  
Budd-Detroit, 7/24/86

The size of, and decentralized management at, the diversified Budd-Detroit facility makes it difficult to periodize the plant's labor history. Since its organization in 1936, nonetheless, four eras of labor-management relations can be discerned. In the first, the newly-formed local used union protection and then the wartime boom to establish collective action as a regular feature of shop floor conflict resolution. In the 15 years after the war, when economic conditions permitted, management sought to raise work standards above the level fostered by permissive war-time conditions and the postwar auto boom. It did not try to change the effort regulation system or to eliminate work group bargaining with supervisors. In the early to mid-1960s, faced with

substantial losses and in the context of fluctuating but ultimately shrinking employment, management sought a more fundamental restriction of shop floor bargaining and to move dispute resolution to grievance negotiations off the shop floor. The final period began with the 1979 recession. As employment dropped by half again, open collective action among direct production workers disappeared altogether. As the company tried simultaneously to raise "labor utilization" and foster greater worker cooperation to improve plant performance, the effort control system and shop floor relations evolved towards the individualistic pattern characteristic of assembly plants.

i. 1936-1947: The Consolidation of the Union

Budd bought the multi-story Detroit plant in 1925 when the Liberty Motor Car Company went into receivership (Courtenay, 1987, p. 33). After Budd bought it, part of the complex housed the Budd Manufacturing Company and made auto bodies for Dodge, Ford and other area customers. The rest contained the Budd Wheel Company, created in 1916 and transferred from Philadelphia in 1925 to be closer to its customers.

Despite Budd's sponsorship of a company union, the UAW/CIO organized the Detroit plant in 1936. The plant won a recognition strike with the help of flying pickets from the nearby Briggs Local where Emil Mazey, later UAW

Secretary-Treasurer, was President. Pops Stokowski, a Communist Party supporter of Polish descent brought the plant's large Polish contingent into the union and was elected the new local's first president.

The plant's decentralized management, self-paced production and effort control system nurtured collective traditions and close ties between production workers and some supervisors in the ten years after organization. Despite switching from an incentive to a fixed hourly pay system, Budd remained a "loose run outfit."<sup>199</sup> Superintendents in the wheel, foundry and other major production Units operated virtually independent "fiefdoms."<sup>200</sup> Budd did not introduce the bureaucratic management and central control over labor policy seen at GM. Especially early on, with many ethnic stewards who neither read nor wrote English well, the grievance system played little role. Since shop floor managers retained considerable autonomy, stewards, who represented an average of about 50 workers each (see table 8.2), and informal

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<sup>199</sup> Unless otherwise reference, material in this section, including quotes, come from interviews with Erwin Baur, 3/88 and 3/89, a long-time Detroit union official at the plant from 1942 to 1977.

<sup>200</sup> The technology and nature of the work in the wheel and foundry may have been even more conducive to the development of militant shop floor traditions than that in stamping and assembly. The foundry, in particular, contained not only physically demanding self-paced production but also extremely hot and dirty work, and company vulnerability to brief stoppages that would cool down molten metal (hence the company's emphasis on "continuous pouring" in the 1960s).

**TABLE 8.2**  
**STEWARD RATIOS AT DETROIT AND KITCHENER**

## (A) Steward Ratio at Detroit Over Time

| Year | Number of Stewards | Hourly Wkforce | Steward Ratio |
|------|--------------------|----------------|---------------|
| 1944 | 107                | 4650           | 43            |
| 1946 | 123                | 4475           | 36            |
| 1948 | 111                | 5150           | 46            |
| 1950 | 125                | 6750           | 54            |
| 1958 | 103                | 4700           | 46            |
| 1971 | 60                 | 3500           | 58            |
| 1973 | 52                 | 2600           | 50            |
| 1977 | 50                 | 2800           | 56            |
| 1986 |                    |                |               |

## (B) Steward Ratios at Kitchener, 1986

| Steward's Constituency | Number of Stewards | Area Wkforce | Steward Ratio |
|------------------------|--------------------|--------------|---------------|
| Skilled Workers        | 4                  | 318          | 80            |
| Press Shop             | 4                  | 370          | 93            |
| Assembly               | 7                  | 450          | 64            |
| Non-Production Workers | 3                  | 318          | 106           |
| Entire Plant           | 18                 | 1456         | 81            |

## NOTES:

1. The number of stewards at Detroit was estimated from local union contracts, various years. Employment at Detroit was taken from table 1-2. The number of stewards at Kitchener in 1986 was obtained from the company's seniority list.
2. Two of the press shop stewards at Kitchener work half-time.

leaders could win concessions by employing pressure tactics.

Soon after the plant was organized, collective action enabled workers to establish

...a system where you got enough personal relief so that...you could go out and have a smoke, go to the john, and at the end of the day, half a half hour or so, time off. In the best of departments, they had half on and half time off jobs.

In a subassembly area for a Chrysler door line during the war, the chief steward and his co-worker would build up a wall of completed parts and then alternately take two week periods off.

Collective action also gave employees the power to selectively discipline supervisors. Worker influence on supervisory behavior reinforced floor managers' partly shared structural interest in having easily attained standards. High standards reduced the pressure on supervisors when downtime or absenteeism eroded performance. It also made it easier to gain cooperation when upper management or customers put on the squeeze.

Sometimes in an area, the superintendent made sure that the front office never knew what was going on. Because if he had to take care of the drunks and...not get them fired..., he had to have extra manpower...The superintendent could have a peaceful arrangement. When he told guys, "hey, look, tomorrow morning that damn Chrysler company needs those stampings and we're not ready,..." the guys might even hustle for a day.

Indicative of supervisors' tendency to identify with workers as much as upper management, the majority of

foremen at Budd joined a special chapter of Budd-Detroit Local 306 before Taft-Hartley stripped them of the protections of the Wagner Act in 1947. Excluding foremen from union protection left them subject to higher management authority. This gave cooperation between workers and supervisors throughout the postwar period a fragile existence, open to disruption by higher managers who viewed such cooperation critically. A foreman seen as too solicitous or protective of hourly workers could always be demoted or reassigned.

Pragmatic or more solidaristic cooperation between workers and supervisors did not make wartime shop floor relations stable at Budd-Detroit. Stoppages in violation of the no-strike pledge took place frequently. In one wildcat in early 1943, 48 stewards and 4 committeemen lost their jobs. Three committeemen never got their jobs back. "But," according to Baur, "the stewards body wasn't destroyed. It was just a skirmish that was lost."

The fragmentary evidence available indicates that local union strength at Detroit generated solidarity that crossed race and sex lines. Throughout Detroit in the thirties and forties, relations between black and white workers remained tense. White hate strikes to protest black access to better jobs and the use of blacks to break recognition strikes reinforced racial tensions (Meier and Rudwick 1979). At Budd-Detroit by the early 1940s, about 400 blacks, many of them former southern agricultural



workers, had entered the plant, either in the Budd Wheel foundry or as janitorial workers in the rest of the plant. The war made it possible for blacks, backed by government pressure applied when letting war production contracts, to begin moving into jobs in other departments.

The black foundry workers were led by Andy Osborne, a powerful natural leader from Shreveport, Louisiana. Bargaining informally with the superintendent and the all-white supervision, the foundry workers had achieved good working conditions by the standards of the time. The superintendent was a colorful figure and operated independent of upper management. He had his own private garage in the foundry, a company car, and a well-equipped private office. Osborne and he "got along very well." As at Ford until 1941, blacks gave their allegiance to the company for having hired them.<sup>201</sup> Blacks were suspicious that, if they joined the union, white workers might try to take their jobs away. Between contracts negotiated in 1946 and 1948, however, most blacks followed Osborne into the union when he ran successfully for committeeman on a ticket with Baur, a member of the Socialist Workers Party. After joining the union, foundry workers solidified customs protecting them against the heat, dirt and physical demands of their jobs. A custom developed in the foundry and spread throughout the plant of leaving the plant on hot

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<sup>201</sup> Local 306 did not win a maintenance of membership clause until 1946. It did not win the dues check-off until 1955. Few blacks had joined the union in the early 1940s.

summer days. Supervisors automatically deducted from the foundry quota pieces lost because of downtime beyond workers' control (interview with shop steward Claude Strickland, 11/88). Foundry workers also earned 30 minutes wash-up time at the end of the day. They gained improved shower facilities, safety equipment and all the protective clothing they needed.

In World War II, the number of women in the plant also expanded.<sup>202</sup> In many other plants, women brought in to perform auto production work were layed off at the end of the war (Milkman 1989). At Budd, the local voted to authorize a strike when the company indicated it would let go of 200 women hired into an induction heating department which performed war production. After negotiations, management agreed to redeploy the women in other departments based on seniority and to grant recall rights to any women without sufficient seniority to qualify for a job immediately.

By the late 1940s, a new generation of politically active leadership had emerged at Budd-Detroit, including Baur and fellow Trotskyist, George Dreon, who became union vice-president in 1948. Baur estimates that, at one point after the war, as many as 20 politically-conscious radicals worked in the plant. Many of these were well integrated

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<sup>202</sup> Before the war, 200-300 worked on a Ford brake-lining job in the wheel and a few others were scattered throughout the plant. The union's first bargaining committee, elected in 1936, included a woman from the brake lining area.

into the rank-and-file leadership of the plant and cooperated with less political militants such as Osborne in daily conflicts. This fact, the company's non-bureaucratic approach, and the plant's unimportance in UAW factional fights helped the Detroit radicals escape red-baiting after the war.<sup>203</sup>

ii. 1947-1960: Negotiation on the Shop Floor

The end of the war marked the beginning of the second episode in the history of Local 306. When general economic conditions and customer demand for Budd's products permitted, Detroit management sought to tighten work standards and shop floor customs loosened under permissive wartime conditions. According to Baur,

In the post-war period, we had all these wildcats, one of the reasons being the company wanted to get closer to a full eight hours performance from everybody. That's one of the places there was a sharp change.

In one incident in 1953, three union members lost their job. In that case, after the bugs had been ironed out of it, Budd raised a standard from 750 to 1400 per day on a Chrysler door line in A-Building. The International had warned the local that its frequent work stoppages had to end. When Baur heard of a planned stoppage in response to the standard increase, he unsuccessfully urged activist and fellow Trotskyist Jack Lesnick to take a strike vote or at

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<sup>203</sup> While Baur refused to sign the Taft-Hartley prohibition on communists, the company never took any action against him.

least absent himself so that he wouldn't be held responsible. The work stoppage began at 10'o'clock in the morning the next day. The company fired shop steward Lesnick, shop steward Hank Ozenkowski and one other worker, a young member of the communist party out of college. The three remained fired when the union lost the grievance in the international step.

The outcome of the drawn out postwar battle over the level of work effort may have been a reduction in some departments in the time off that production workers earned at the end of a typical job. The partial regularization of quota fights may have weakened the position of shop stewards and informal leaders. According to Baur, "The company got clever at setting standards and not involving stewards and the activists...Allowing this personal time..." The basic structure of the effort control system and the dispute resolution process remained unchanged, however. The chance to rest at the end of the shift induced high effort from workers earlier in their work day. Substantive negotiation between floor managers and workers or their representatives remained the dominant form of dispute resolution. Power--work stoppages and disciplinary suspension or discharge--remained the final arbiter when shop floor negotiation proved unable to resolve disagreements.<sup>204</sup>

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<sup>204</sup> A company memorandum on a walkout in 1957 conveys the flavor of the times. Maintenance workers walked out when six out of 200 were not reinstated after the implementation

In addition to time off at the end of the day and good working conditions, Local 306's contracts with Budd testify to the union's strength, in this period. The local retained the right-to-strike during the contract on any issue. It won a clause making overtime over 40 hours voluntary.<sup>205</sup> The contract also specified that, "except for emergency and temporary schedule increases, no overtime should be worked with seniority workers on layoff."<sup>206</sup> Absentee policy remained outside the contract and subject to negotiation with workers or stewards until the early

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of a product change-over agreement. According to the memorandum, "...Supervision themselves tell the workers that 'if they accept these conditions, they are crazy.'...It is the Union's contention that if the 6 people in question are kept out, the membership will not go along with this action and will take the proper measures to get them reinstated."

<sup>205</sup> The contractual provisions governing overtime become somewhat more ambiguous after 1940. In 1940, Article V, Section 9 stated "in no case shall overtime be compulsory." In the 1942 contract, Article V, Section 35 begins, "Employees who agree to work overtime..." In the 1944 contract, Article V, Section 38 says, "Emergency overtime...will not be compulsory..." Later contracts contain no clause specifying clearly that overtime will be either mandatory or voluntary. The practice appears to have been that individuals could refuse overtime unless the union waived restrictions to permit a whole department to work nine or 10 hours during the week. Any overtime on weekends continues to be completely voluntary today.

<sup>206</sup> In terms of seniority-based layoffs, sectional loyalties made workers themselves resist attempts to broaden seniority districts in the first decade after the war. As a result, seniority in one "Unit" gave workers no rights to job openings in other Units and, in the early 1950s, workers overwhelmingly rejected an internal union proposal to give high seniority workers rights to bump less senior workers within other departments within a specified period of time. After layoffs later in the 1950s, however, workers' sentiment changed and the company and union negotiated such a provision.

1960s.<sup>207</sup> Wages in the Budd-Detroit local contract remained above pattern until the late 1950s (table 8.3).<sup>208</sup>

In 1947, the union also won one of the first and strongest contractual provisions against outside contracting of skilled work. When foundry workers walked out in support of skilled tradesmen, the plant manager argued that he needed the right to use outside contractors on occasion. Out of this dispute, the company and union signed a Supplemental Agreement stating:

Should it at any time be deemed necessary by the Company to contract maintenance or construction work to outside contractors, the Union will be advised prior to letting out such contracts, and it should be considered a proper matter for collective bargaining.

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<sup>207</sup> The lack of a formal, centralized absence policy meant that good workers could take the occasional paid day off without being disciplined. They would be paid because floor managers did not want to report absences to labor relations. On the other hand, workers regarded as lazy, or unpopular for other reasons, were fired periodically for missing work. Such workers may have become less vulnerable when absentee policy was formalized because the union would follow the letter of the law in its attempts to win workers their jobs back. If the company made any mistakes in following its own guidelines, employees gained reinstatement on a technicality.

<sup>208</sup> Data from the Annual Survey of Manufacturers indicate that wages in SIC code 3465, automotive stamping, equalled 114 percent of those in SIC 3711, motor vehicle assembly, in 1958. Stamping plant wages declined to 98 percent of Big Three levels in 1963 and to less than 80 percent of assembly wages by the second half of the 1980s. The stamping/assembly wage ratio in the late 1950s corroborates the hypothesis based on case studies that local union strength generalized to the rest of the worker-paced stamping sector.

TABLE 8.3: WAGES AT DETROIT AND KITCHENER VS. THE BIG 3

|      | Big Three<br>Auto<br>Assembler-<br>U.S. | Budd-<br>Detroit<br>Assembly<br>Welder    | Budd-<br>Detroit<br>Average<br>Wage | Budd-<br>Detroit<br>Tool &<br>Die-maker | AIF/<br>General<br>Increase               | Budd-<br>Detroit<br>Minimum | Budd-<br>Detroit<br>Maximum      |                          |  |  |       |       |  |
|------|---|---|-------------------------------------|---|---|-----------------------------|----------------------------------|--------------------------|--|--|-------|-------|--|
| 1948 | 1.58                                    |   |                                     |   |   |                             | 1.38                             |                          |  |  |       |       |  |
| 1950 | 1.58                                    |   |                                     |   | 4 cnts/hr                                 |                             | 1.38                             |                          |  |  |       |       |  |
| 1955 | 2.01                                    |   |                                     |   | 2.5%                                      |                             | 1.80                             |                          |  |  |       | 3.38  |  |
| 1958 |   |   |                                     |   | 2.5%                                      |                             |                                  |                          |  |  |       | 3.79  |  |
| 1960 | 2.46                                    |   |                                     |   | 2.5%                                      |                             | 2.12                             |                          |  |  |       |       |  |
| 1965 | 2.91                                    |   |                                     |   |   |                             |                                  |                          |  |  |       |       |  |
| 1968 |   |   |                                     |   |   |                             |                                  |                          |  |  |       |       |  |
| 1970 | 4.25                                    |   |                                     |   |   |                             |                                  |                          |  |  |       |       |  |
| 1971 |   |   |                                     |   |   | 3%                          | 3.93                             |                          |  |  |       | 7.03  |  |
| 1973 |   |   |                                     |   |   | 3%                          | 4.82                             |                          |  |  |       | 7.50  |  |
| 1975 | 6.44                                    |   |                                     |   |   | 3%                          |                                  |                          |  |  |       |       |  |
| 1977 |   |   |                                     |   |   | 3%                          | 6.58                             |                          |  |  |       | 8.95  |  |
| 1980 | 10.33                                   |   |                                     |   |   | 3%                          |                                  |                          |  |  |       | 11.41 |  |
| 1982 | 11.74                                   |   |                                     |   | 21-40c                                    |                             |                                  |                          |  |  |       |       |  |
| 1984 |   |   | 9.64                                | 10.25                                   | 11.83                                     | 2% 1s                       |                                  |                          |  |  |       |       |  |
| 1986 |   |   | 12.37                               | 12.65                                   | 14.56                                     | 2% 1s                       |                                  |                          |  |  |       |       |  |
| 1988 |   |   |                                     |   |   | \$700 ee                    |                                  |                          |  |  |       | 16.76 |  |
| 1989 | 15.66                                   |   |                                     |   |   | 2% 1s                       |                                  |                          |  |  |       |       |  |
|      | MV&E Equ.<br>Workers-<br>Canada         | Big Three<br>Auto<br>Assembler-<br>Canada | AIF/<br>General<br>Increase         | Kitch.<br>Incentive<br>Worker           | BK Inc.<br>Wages:<br>Pct. of<br>MV&E-Can. | Kitch.<br>Laborer           | Kitch.<br>Tool &<br>Die<br>Maker | Kitch.<br>Die-<br>Setter |  |  |       |       |  |
| 1968 |   |   | 25c/77c                             |   |   |                             | -2.40                            | -3.04                    |  |  |       |       |  |
| 1969 |   |   | 17c/24c                             |   |   |                             |                                  |                          |  |  |       |       |  |
| 1970 | 3.56                                    |   | 23c/28c                             |   |   |                             |                                  |                          |  |  |       |       |  |
| 1971 | 3.94                                    |   | 44c/46c                             |   |   | 3.39                        |                                  | 4.79                     |  |  |       |       |  |
| 1972 | 4.26                                    |   | 25 cents                            | 4.82                                    | 113                                       |                             |                                  |                          |  |  |       |       |  |
| 1973 | 4.64                                    |   | 20 cents                            | 4.53                                    | 98  |                             |                                  |                          |  |  |       |       |  |
| 1974 | 5.14                                    |   | 10cmts+3%                           | 5.20                                    | 101                                       | 4.62                        |                                  | 6.06                     |  |  |       |       |  |
| 1975 | 5.74                                    |   |                                     | 3%                                      | 5.13                                      | 89                          |                                  |                          |  |  |       |       |  |
| 1976 | 6.50                                    |   |                                     | 3%                                      | 5.54                                      | 85                          |                                  |                          |  |  |       |       |  |
| 1977 | 7.24                                    |   |                                     | 3%                                      |   | 6.53                        |                                  | 8.67                     |  |  |       |       |  |
| 1978 | 7.77                                    |   |                                     | 3%                                      |   |                             |                                  |                          |  |  |       |       |  |
| 1979 | 8.30                                    |   |                                     | 3%                                      |   |                             |                                  |                          |  |  |       |       |  |
| 1980 | 9.28                                    |   |                                     | 3%                                      |   | 8.88                        |                                  | 11.22                    |  |  | 9.95  |       |  |
| 1981 | 10.24                                   |   |                                     | 3%                                      |   |                             |                                  |                          |  |  |       |       |  |
| 1982 | 11.15                                   | 11.98                                     |                                     | 3%                                      |   |                             |                                  |                          |  |  |       |       |  |
| 1983 | 11.89                                   |   |                                     |   | 12.05                                     | 101                         |                                  | 13.97                    |  |  | 12.62 |       |  |
| 1984 | 12.80                                   |   |                                     | 12.05                                   | 13.74                                     | 107                         |                                  |                          |  |  |       |       |  |
| 1985 | 13.38                                   |   |                                     | 14.95                                   | 112                                       |                             |                                  |                          |  |  |       |       |  |
| 1986 | 13.97                                   |   |                                     | 15.51                                   | 111                                       |                             |                                  |                          |  |  |       |       |  |
| 1987 | 14.47                                   |   |                                     | 16.03                                   | 111                                       |                             |                                  |                          |  |  |       |       |  |
| 1988 | 15.26                                   |   |                                     | 18.30                                   | 120                                       |                             |                                  |                          |  |  |       |       |  |
| 1989 |   | 17.08                                     |                                     |   |   |                             |                                  |                          |  |  |       |       |  |

## NOTES:

1. Data for U.S. Big Three assembly workers from Katz 1985, 22. Wages for U.S. and Canadian Big Three assembly workers in 1982 and 1989 from Katz and Mcitz 1990. For the years 1967-80, Canadian Big Three assembly wages are close to those for U.S. workers in nominal (own-country) dollars.
2. Detroit assembly welder, average and tool-and-die figures for 1984 and 1986 are for December 3 and August 1 of those years, respectively and based on company data.
3. The Detroit AIF/General Increase figures for each year are from the local contract of that year until 1955; and the national contract after that year. Abbreviations: ls—lump sum; ee—eligible employees. From 1950-1984, the Detroit AIF/General increases are virtually identical to those of the Big Three (see Katz 1985, 16-17). Detroit and Kitchener workers received COLA in addition to AIF/General increases until 1982. From 1982-1985 at both plants and since 1985 at Detroit, 25-50 percent of COLA payments have been eliminated or diverted to pay for benefits.
4. The Detroit minimum figure for 1950 is as of December 20, 1950. Local 306 Supplemental Agreement, 7. The July 3, 1950 agreement indicated a minimum of \$1.425 not \$1.375 as in the December contract. The minimum reported in 1950 and later years is for non-probationary employees.
5. The Detroit minimum and maximum figures for 1955 are as of September 1: Local 306 agreement, 30 and 35.
6. The Detroit maximum figure for 1958 is as of July 1, 1958: national agreement, 5-6.
7. Detroit 1971 maximum and minimum figures are as of January 2, 1971—local contract, 57; national contract, 16.
8. Detroit maximum and minimum figures for 1973 are as of December 15—national agreement, 27-28; local agreement, 59.
9. The Detroit figures for 1977 are as of January 15—national agreement, 25-26; local agreement, 60.
10. The Detroit maximum figure for 1980 is as of February 11, 1980: national agreement, p. 27.
11. The Detroit maximum figure for 1980 is as of March 14, 1980: national agreement, p. 28.
12. The Canadian figures for Canadian Motor Vehicle and Equipment (MV&E) Workers are from the same source as Table 4.1 (see note 1).
13. The Kitchener figures for General Increases are from Labour Canada, Collective Bargaining Review (various months). Where there are two figures shown, the first is for production workers, the second is for skilled workers. The high Kitchener general increases in 1968-74 stem from the plant's relatively low wages initially and the gradual achievement of parity with Canadian Big Three workers that themselves won parity with the U.S. Big Three in 1967. Kitchener workers received COLA over and above the increases shown.
14. The Kitchener figures for average incentive wages are from table 8-9.
15. Kitchener rates for laborer, tool-and-die maker and die-setter from Labour Canada, CBR, various months. The figures are for April each year.

The union agrees in return for these commitments by Management that its members will work any necessary time to complete any job to insure a continuity of operations in the plant.

In practice, the steward and supervisor would sit down and plan the work in a way that permitted as much as possible of the work to be offered to in-house skilled trades.

iii. 1960-1978: Procedural Unionism Comes to Detroit

At other plants with strong shop steward systems, many of them under financial pressure, the late 1950s auto slump provided an occasion for eliminating collective action as a regular feature of shop floor conflict resolution and raising work standards. At Budd, a management attempt to channel dispute resolution into the grievance procedure took place somewhat later because of the company's non-bureaucratic management and because, while employment dropped from 1953-1955, the company enjoyed a profitable second half of the decade. The impact of the recession in the late 1950s at Detroit was cushioned by the huge success of the Ford Thunderbird. Starting in late 1953 and ending on September 2, 1960, Budd shipped 251,453 two- or four-seater Thunderbird bodies to Ford (Corchoran 1987). Stamping, assembling and painting the Thunderbird body employed between two and three thousand workers at Detroit. By 1960, however, the Thunderbird four-seater was selling too well for Budd's good. Ford decided to pull it back in



house. Budd made its last complete T-bird body on September 3, 1960. From \$12 million in 1959, Budd's profit slipped to \$6 million in 1960. Its losses equalled \$1.7 million in 1961. In 1962 and 1963, the company earned only 2 cents profit for every dollar in sales (Courtenay 1987, 90).

Financial pressure and the example of other companies which had substituted the grievance procedure for continuous shop floor negotiation, led Detroit management to attempt the same transition. In its attempt to adopt a more procedural approach to resolving labor disputes at Detroit, the company received encouragement from the International Union, which was worried that the plant would close. With a background in GM, Regional Director George Merrelli, interpreted what he saw at Budd Detroit as "utter chaos."

In the GM circuit, where everything was precision, according to rules..., I perhaps had an advantage on those in other plants...GM ran their plants...There was utter chaos in labor relations in Budd...It was amazing how they did well with the loose labor relations that they had. It was not unusual for management to make a decision which the supervisors completely ignored. They had hundreds of personal agreements in departments [between] individual stewards and supervisors (interview 3/89).

Merrelli felt that nobody at Budd in either the union or management knew all the agreements that had been reached between supervisors and stewards in different departments:

The end result was that there were some practices that were out of this world. Concessions not by the corporation but by individual supervisors and superintendents. They made money. But they had

no control of the people. People thought nothing about walking out. Walk out, or the threat of a walkout, usually would obtain your concession, no matter how outlandish it was...Mike Lacey [Merrelli's predecessor] who was [also] cut in GM had the same feeling.<sup>209</sup>

In Merrelli's view, the practices in the plant inevitably caught up with the company financially and led to its losses in the early 1960s.

When the International union heard that the company was considering closing the Detroit plant and moving more production to Gary, it prevailed on Young Budd to come to Detroit to meet with local union President Bill Callison, Merrelli, Budd Department Head and Chrysler Department Vice President Norman Matthews and Walter Reuther. The International union argued that the chaos on the shop floor at Detroit stemmed from the lack of set policies and discipline among supervisors at the plant. As long as the company would "cave at the mere suggestion of a wildcat," the union could not fulfill its contractual obligations not to interrupt production (interview with Merrelli, 3/89).

In exchange for a commitment from the company to reinvest \$50 million in the plant spread over five years, the UAW International agreed to try to help the company get workers and the local union to resolve disputes through the grievance procedure. To reassure the company that it would be able to use its so-called "Project Progress" investment

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<sup>209</sup> This quote and the details here on the UAW International's views of and responses to the Budd-Detroit situation come from an interview with George Merrelli, 3/89.

productively, the local union also made four commitments in a letter of understanding dated January 30, 1963 and ratified by the membership on February 5. The letter recognized "the Company's right under the contract to introduce new standards based upon revised and/or new methods of equipment"<sup>210</sup>; agreed to the elimination of 15-minute paid lunch periods for workers who currently received them (skilled trades, job setters, inspectors and foundry employees); accepted a reduction in the foundry wash-up period from 30 minutes to 20 minutes; and pledged the union to negotiate the company's desire to "take new approaches to seniority and job classifications...as the situation arises"<sup>211</sup>.

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<sup>210</sup> The same paragraph later stated: "All employees of the Budd Company will provide a fair day's work, but the Union must reserve the right, as we have in the past, to challenge standards or assignment that in our judgement are unsatisfactory."

<sup>211</sup> Among the classifications changes the company sought were the the consolidation of millwright and rigger classifications; and the integration of quality responsibility into the jobs of some production workers and the associated elimination of an indirect production classification of "production inspectors". Unlike these two examples, management's highest priority in the classifications area ran counter to the philosophy of the industry in the 1980s. This priority provides a classic and in this case literal attempt to apply the Fordist mass production model in a technological and organizational setting where it may not have fit. In the hub and drum, wheel and parts of the stamping sections of the plant before 1963, "job setters" were assisted by three production operators whenever they changed dies. These three assistants were paid at job-setter rates for the period of the change-over. The rest of the production work group had no responsibilities during this change-over (although interviews suggest that they may have helped out when it would enable them to make out sooner). After Project Progress, management assigned change-over responsibility exclusively to an expanded group of job

The lynchpin of the attempt to channel disputes into the grievance procedure that coincided with Project Progress was the company's centralization of responsibility for personnel issues in the plant in its labor relations department.<sup>212</sup> In association with this, the labor relations department restricted supervisors authority to negotiate on the shop floor when workers' filed grievances or stopped work. Explaining this policy, the Yearly Statistical Report of the Detroit labor relations department in 1963 (hereafter YSR63) notes that

During this year, the manufacturing personnel were advised of the procedure wherein all Grievances are referred by the Department

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setters. The company coupled this with expanded rights to reassign the entire group of direct production workers while their jobs were being changed. According to Wangbichler, hired into the Detroit Labor Relations Department just as Budd lost the Thunderbird job, "We used to have employees change over their own jobs...We made the decision that was inefficient because we'd gotten some people in...that came from Ford. They had job set-up people. If it was good for Ford, it was good for Budd. So we established a whole cadre of people whose sole purpose was to change over jobs...We took people whose jobs it had always been, to run those lines and change them over, and then said, 'no longer can you change-over the new tooling.' And we put these inexperienced set-up people...on the job of setting up the jobs...We were losing money hand over fist because of that...It wasn't until 1970 that we finally made a profit."

<sup>212</sup> The quality of the company's records on work stoppages over time are one symptom of the development of more centralized and sophisticated labor policies. From 1954 to 1960, despite the reported regularity of work stoppages, company records indicate that there were only six stoppages and the quality of the records on these strikes is uneven. In a stoppage on 3/27/61, the company introduced a standard form for documenting basic data on stoppages such as when they took place, the number of workers involved, the cause of the stoppage and the settlement. In the succeeding years, these standard forms are sometimes accompanied by exhaustive documentation of negotiations between the union and labor relations on specific disputes.

Supervision to Labor Relations prior to processing. This step has resulted in Management being immediately advised of impending issues and of a more factual and beneficial method of disposition of Grievances, and more efficient operation with Plant operations in line with Contract Agreement.

One example of the attempts by the labor relations department to reduce the role of shop floor negotiation when work stoppages took place occurred on September 24, 1963. in a dispute over work standards on a critical foundry job. The union claimed that foundry supervisors, with whom work standards had been negotiated in the past, had promised a rate increase in the event of an increase in the number of silicon bricks workers had to place into the foundry charge. The Labor Relations Manager's memorandum on the dispute noted that:

...Management stated to the Union that not only in the Foundry but throughout the Plant, Supervision did not have the authority to make any commitment relative to the rate of pay, standards, or change in practices, procedure, or the Contract without this being approved by Labor Relations...

While restricting supervisory authority to make concessions to the union, the company simultaneously sought to affirm workers' obligation to follow supervisory orders; to make clear that the union did not have any rights to countermand supervisory orders; and to require that, if workers' felt management's actions violated contract or custom, their only recourse was to file a grievance and follow the instructions while the grievance

was processed. Thus the memo on the September 1963 foundry dispute emphasized that:

...throughout the meeting [with the union] Management's position was adamant that it would insist in having Supervisory assignments carried out and that the Union follow the procedure as outlined in the contract.

In a dispute a month later about foundry workers' refusal to follow a supervisory order that would have saved only "20 or 30 minutes total time" over the course of two weeks,

...it was recognized by the Company that Management's principle of having the right to make temporary changes and work assignments, was at stake. Because Management has been making an all-out effort within the last few weeks to re-establish Management prerogatives within the Foundry, it was evident that this principle could not be compromised (company work stoppage files).

Two other changes in the 1960s complemented company efforts to shift dispute resolution to the grievance procedure. In the past in its dealing with the bargaining committee and stewards, company managers had alternated attempts to intimidate the union with concessions to collective action when short-term economic considerations dictated. Now, a new generation of labor relations executives shifted emphasis to persuading union officials of the legitimacy of company demands. These executives also began to recognize that union officials and small scale stoppages provided the company with information about minor irritants that, left unattended, would trigger collective action. Around the same time, the company began to select more of its shop floor managers from the pool of

college graduates in the external labor market and from management training courses. As the proportion of supervisors and superintendents promoted from the ranks declined, this loosened their identification with hourly workers and increased their ties to the labor relations department.

The company's attempt to introduce the procedural model did not proceed without incident. Stable employment levels, a tight labor market, and the nature of Budd's production gave workers more leverage than the Dodge Main workforce had in 1956-1960. Especially at first, even the labor relations department had trouble abandoning traditional attempts to intimidate union representatives. For example, as part of its effort at the beginning of Project Progressto gain more freedom to transfer work groups while set-up workers changed their lines over, the company consolidated Unit 5 (wheel production) from nine down to three departments. This gave the company freedom to transfer workers among the three zones within each enlarged department. While making this change, the company also informed the union that it would eliminate the steward representation in each previously separate department (14 stewards in total). The workers in the consolidated departments would all be represented by the stewards there beforehand.<sup>213</sup> As well as taking the union on directly in

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<sup>213</sup> The contract specified that any department with over 15 people must receive representation. As separate departments, the six departments which lost that status all

one of the most militant parts of the plant, this action led Baur to resign from the bargaining committee on February 13 and run successfully for local union president promising to get the stewards back.

Over the course of the next several years, Local 306-- particularly the foundry, the wheel, and the skilled trades where Osborne and Baur had the most influence--vigorously defended shop floor bargaining traditions.<sup>214</sup> The plant had its first two sanctioned strikes, one of them a mid-contract strike. On two other occasions, the workforce overwhelmingly authorized mid-contract strikes. Between 1963 and 1967, 29 illegal work stoppages took place and the plant's strike frequency per 1000 workers equalled over half that at Chrysler during its most militant period from 1956-1959 (tables 8.4-8.6, figures 8.2-8.3). Disputes centered on a range of substantive issues: the changes in classifications and work rules associated with the Project Progress reorganization; works standards, especially on new technology<sup>215</sup>; the company's ultimately successful attempt

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had one or more stewards. According to Baur, the union eventually won reinstatement of the 14 stewards in the International step of the grievance procedure. Disputes over the firing of a wheel steward for leaving his department without the permission of the foreman led to two wildcats later in 1963.

<sup>214</sup> Table A.1 indicates the frequency with which wildcats originated in the foundry, the wheel and the skilled trades. The two major departments in the wheel unit (departments 254 and 259) also accounted for a disproportionate share of grievances settled at steps 1 and 2 of the grievance procedure.

<sup>215</sup> The company felt that automation made jobs easier and justified higher quotas and lower wage rates while the union argued that automation meant more responsibility and



**TABLE 8.4**  
**WORK STOPPAGES AT BUDD-DETROIT**

| YEAR | NUMBER OF<br>ILLEGAL<br>STOPPAGES | NON-<br>WEATHER<br>ILLEGAL<br>STOPGES | TOTAL<br>WORKERS<br>INVOLVED | LOST WK-<br>HOURS:<br>ILLEGAL<br>STOPGES | LEGAL MID-<br>CONTRACT<br>STOPGES | CONTRACT<br>CONTRACT<br>STRIKES | HRS. LOST<br>IN LEGAL<br>STRIKES | TOTAL<br>WK-HOURS<br>LOST:ALL<br>STPGES |
|------|-----------------------------------|---------------------------------------|------------------------------|--|-----------------------------------|---------------------------------|----------------------------------|---|
| 1961 | 3                                 | 3                                     | 5794                         | 29792                                    |                                   |                                 |                                  | 29792                                   |
| 1962 | 1                                 | 1                                     |                              | 9504                                     |                                   |                                 |                                  | 9504                                    |
| 1963 | 7                                 | 7                                     | 1240                         | 8123                                     |                                   |                                 |                                  | 8123                                    |
| 1964 | 9                                 | 9                                     | 5113                         | 56598                                    | 1                                 |                                 | 72823                            | 129420                                  |
| 1965 | 4                                 | 4                                     | 5347                         | 11769                                    |                                   | 1                               | 354298                           | 366067                                  |
| 1966 | 6                                 | 6                                     | 895                          | 11778                                    |                                   |                                 |                                  | 11778                                   |
| 1967 | 1                                 | 1                                     | 2254                         | 14811                                    |                                   |                                 |                                  | 14811                                   |
| 1968 | 1                                 | 0                                     | 207                          | 652                                      |                                   |                                 |                                  | 652                                     |
| 1969 | 5                                 | 4                                     | 5444                         | 33097                                    |                                   |                                 |                                  | 33097                                   |
| 1970 | 9                                 | 7                                     | 1506                         | 6202                                     |                                   |                                 |                                  | 6202                                    |
| 1971 | 3                                 | 3                                     | 695                          | 4317                                     |                                   |                                 |                                  | 4317                                    |
| 1972 | 3                                 | 1                                     | 514                          | 3352                                     |                                   |                                 |                                  | 3352                                    |
| 1973 | 5                                 | 1                                     | 352                          | 2229                                     |                                   |                                 |                                  | 2229                                    |
| 1974 | 2                                 | 0                                     | 1181                         | 1998                                     |                                   |                                 |                                  | 1998                                    |
| 1975 | 2                                 | 0                                     | 63                           | 381                                      |                                   |                                 |                                  | 381                                     |
| 1976 | 3                                 | 2                                     | 79                           | 188                                      |                                   |                                 |                                  | 188                                     |
| 1977 | 6                                 | 0                                     | 454                          | 2230                                     |                                   |                                 |                                  | 2230                                    |
| 1978 | 4                                 | 0                                     | 73                           | 374                                      |                                   |                                 |                                  | 374                                     |
| 1979 | 1                                 | 1                                     | 107                          | 0  |                                   |                                 |                                  | 0                                       |
| 1980 | 0                                 | 0                                     | 0                            | 0  |                                   | 1                               | 406000                           | 406000                                  |
| 1981 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1982 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1983 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1984 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1985 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1986 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |
| 1987 | 0                                 | 0                                     |                              | 0  |                                   |                                 |                                  | 0                                       |

**NOTES:**

1. Detroit aggregates for hours lost, 1961-1971 and for the number of stoppages, 1961-68, from company records. Other Detroit aggregates estimated by the author based on company records on individual stoppages.
2. Although there are no heat walkouts listed in the 1960s, these probably took place but went unreported because bigger strikes were still taking place.

**TABLE 8-5: ALL STRIKE FREQUENCY/1000 WORKERS AT BUDD, CHRYSLER AND GM**

| YEAR | CHRYSLER | GM    | BUDD-<br>DETROIT | BUDD-<br>KTCHENER |
|------|----------|-------|------------------|-------------------|
| 1956 | 1.5      |       |                  |                   |
| 1957 | 5        |       |                  |                   |
| 1958 | 8        |       |                  |                   |
| 1959 | 0.7      |       |                  |                   |
| 1960 | 0.25     | 0.17  |                  |                   |
| 1961 | 0.28     | 0.1   | 0.86             |                   |
| 1962 | 0.15     | 0.07  | 0.29             |                   |
| 1963 | 0.25     | 0.08  | 2.00             |                   |
| 1964 | 0.4      | 0.09  | 2.70             |                   |
| 1965 | 0.23     | 0.08  | 1.11             |                   |
| 1966 | 0.45     | 0.07  | 1.33             |                   |
| 1967 | 0.6      | 0.3   | 0.22             | 0                 |
| 1968 | 0.85     | 0.35  | 0.22             | 0                 |
| 1969 | 0.4      | 0.25  | 1.11             | 0                 |
| 1970 | 0.8      | 0.12  | 2.00             | 0                 |
| 1971 | 0.7      | 0.06  | 0.86             | 0                 |
| 1972 | 0.5      | 0.15  | 1.00             | 0                 |
| 1973 | 0.75     | 0.09  | 1.67             | 0                 |
| 1974 | 0.5      | 0.17  | 0.67             | 0.43              |
| 1975 | 0.25     |       | 0.67             | 3.75              |
| 1976 | 0.55     | 0.085 | 1.00             | 17.27             |
| 1977 | 0.9      | 0.08  | 2.00             | 6.07              |
| 1978 | 0.15     | 0.01  | 1.33             | 27.21             |
| 1979 | 0.17     | 0.03  | 0.37             | 12.57             |
| 1980 | 0.07     | 0.055 | 0                | 0                 |
| 1981 |          |       | 0                | 6.09              |
| 1982 |          |       | 0                | 0                 |
| 1983 |          |       | 0                | 0                 |
| 1984 |          |       | 0                | 0                 |
| 1985 |          |       | 0                | 0                 |
| 1986 |          |       | 0                | 0.67              |
| 1987 |          |       | 0                | 0.69              |

**SOURCES:**

1. GM and Chrysler data read off fig. 2 on page 10 of Jefferys 1986.
2. Calculations for Budd plants based on company data.

**TABLE 8.6: WK-HOURS LOST/MANUAL WORKER DUE TO UNAUTHORIZED STOPPAGES**

|      | CHRYSLER | BUDD-<br>DETROIT |
|------|----------|------------------|
| 1955 | 13.5     |                  |
| 1956 | 18       |                  |
| 1957 | 20       |                  |
| 1958 | 100      |                  |
| 1959 | 6        |                  |
| 1960 | 0.8      |                  |
| 1961 | 1.5      | 8.5              |
| 1962 | 0.55     | 2.7              |
| 1963 | 0.6      | 2.3              |
| 1964 | 2.5      | 15.3             |
| 1965 | 0.55     | 2.6              |
| 1966 | 1.5      | 2.6              |
| 1967 | 10       | 3.3              |
| 1968 | 4        | 0.1              |
| 1969 | 2.7      | 7.4              |
| 1970 | 4        | 1.4              |
| 1971 | 1.5      | 1.2              |
| 1972 | 2.5      | 1.1              |
| 1973 | 5        | 0.7              |
| 1974 | 1.7      | 0.7              |
| 1975 | 0.12     | 0.1              |
| 1976 | 5        | 0.1              |
| 1977 | 8.5      | 0.7              |
| 1978 | 0.06     | 0.1              |
| 1979 | 0.65     | 0.0              |

**SOURCES:**

1. Source for Chrysler data: Jefferys, 1986, fig. 1, p. 9. Table 1, p.7 indicates that unauthorized manhours lost between 1955 and 1959 equalled 63 percent of total manhours lost. Between 1960 and 1964, unauthorized manhours lost equalled only 22 percent of total manhours lost.
2. Budd-Detroit figures calculated from company data and authors' employment estimates

# FIG. 8.2: BIG 3 & BUDD STRIKE RATES

PER 1000 WORKERS, 1956-79

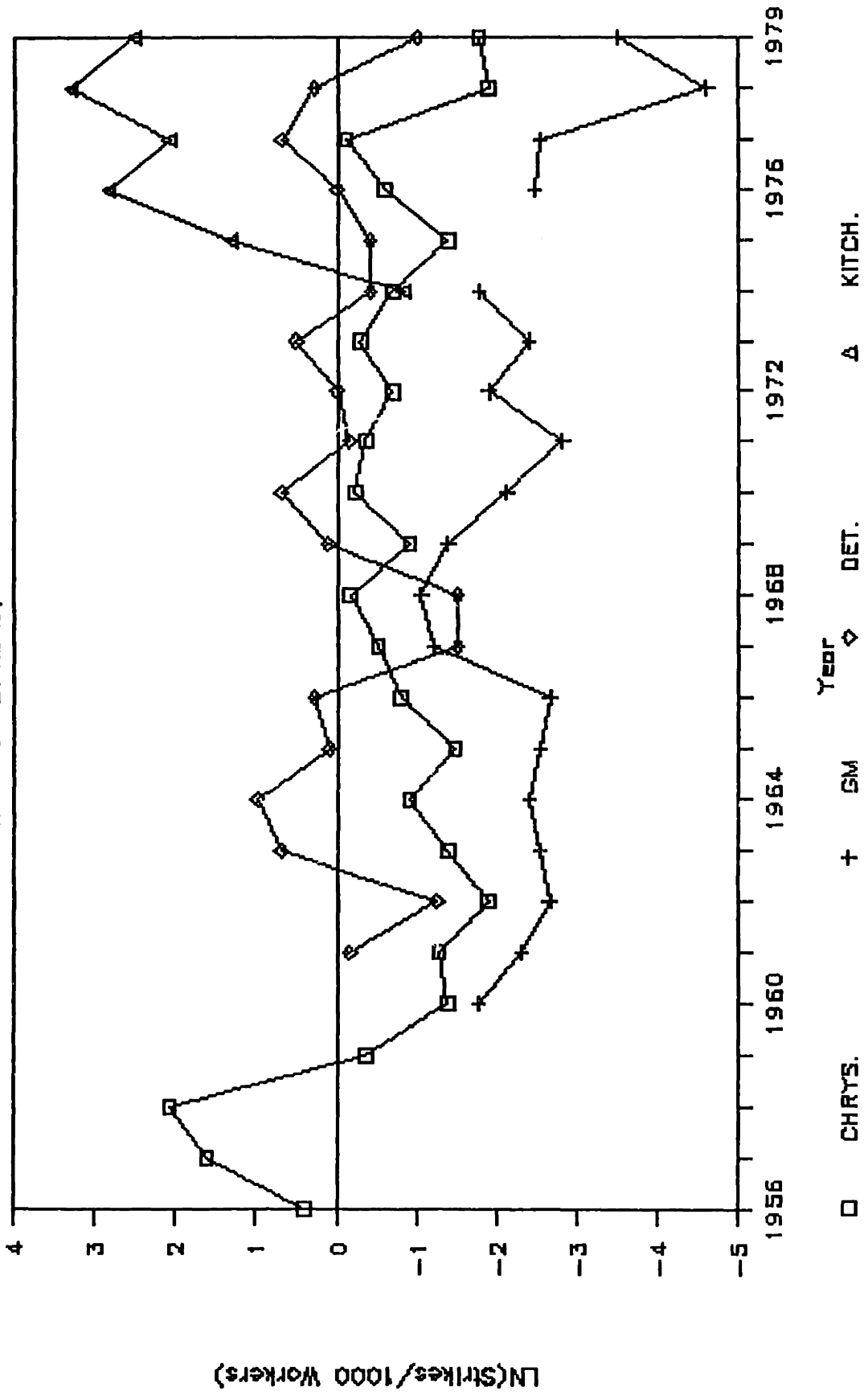
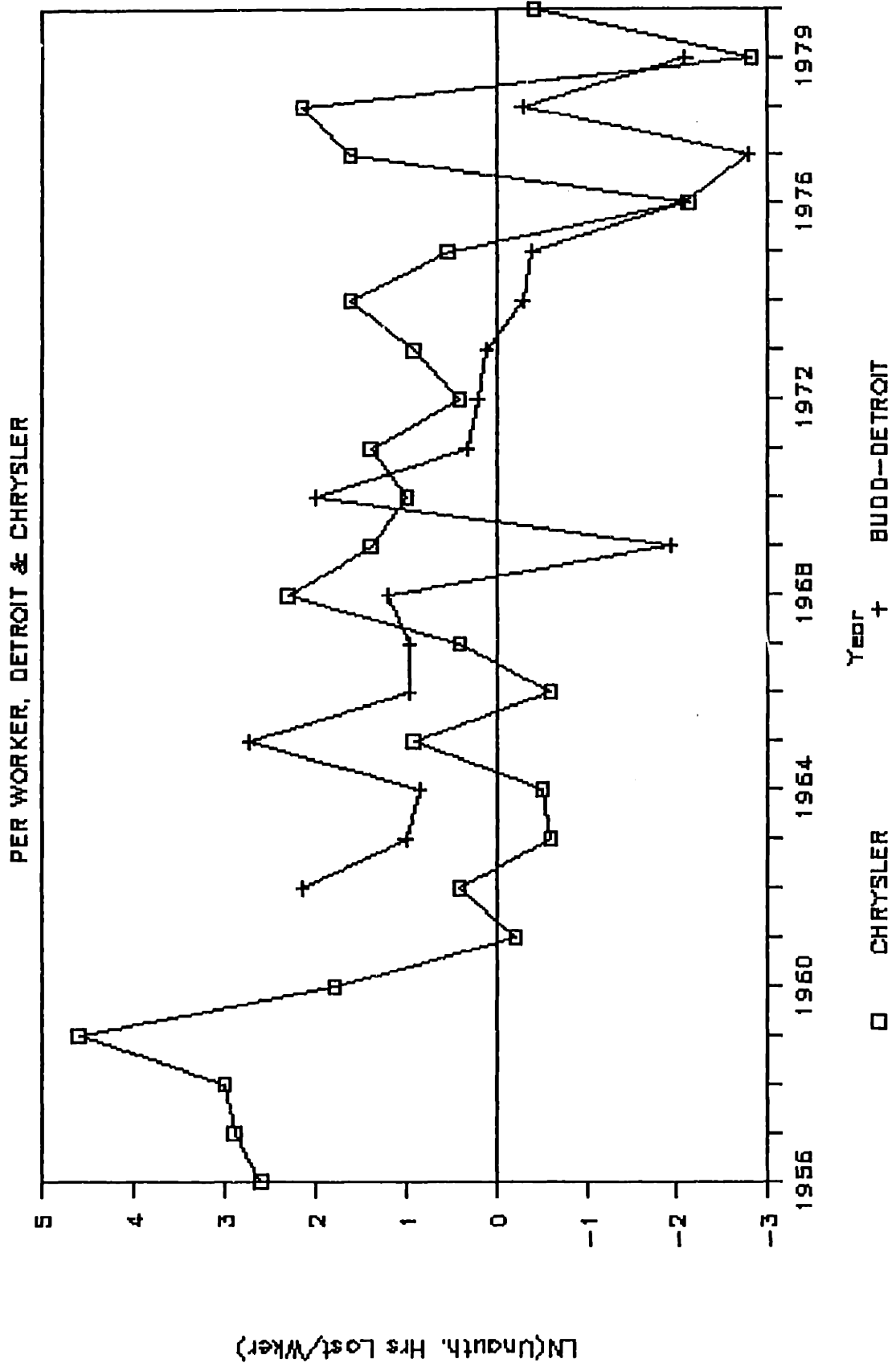


FIG. 8.3: WK-HRS LOST, UNAUTH. STOPGES



to introduce a progressive discipline policy to help control absenteeism; and seniority, jurisdictional questions and outside contracting in the skilled trades.<sup>216</sup>

In Wangbichler's view, during the first few years after the initiation of Project Progress, the plant's experienced union leaders outdueled the young labor relations department.

It was a barbaric situation at that time...That was right at the height of...a boom year in the automobile business. We were right in the middle of this major change. It was really the classic power struggle between company and union.

Despite the union's militance, however, this period produced the last large-scale defiance of the company by production workers at the Detroit plant. After a transition period, Budd management succeeded in suppressing the use of work stoppages in the resolution of shop floor disagreement.<sup>217</sup> In Wangbichler's words, after the power struggle, "it began to change. A sense of responsibility..., I think, began to settle over people." In 1969, in negotiations during the last non-temperature related plant-wide wildcat in the plant's history (not

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thus should lead to higher wages and more relief time.  
<sup>216</sup> Company grievance records provide one indication of the major substantive disputes during the early and mid-1960s. For example, they show that grievances over "additional manpower" rose from 7 in 1962 to 21 in 1963 and 24 in 1964. For details on grievances over work rules, discipline and other matters, see Tables A.4, A.8 and A.9.  
<sup>217</sup> Data on the resolution of grievances by step also illustrate that they were resolved by the foreman and steward (step I) or superintendent and committeeman (step II) less frequently over time. From over 11 percent in 1961, the number resolved on the shop floor dropped to 4.6 percent in 1965 and almost zero by 1973.

itself over a health and safety issue), the bargaining committee tried to salvage a very limited right for representatives to countermand a foreman's instructions-- when they "thought a bona fide health and safety condition existed" (company work stoppage files). Although making it clear that the company hoped supervisors would not jeopardize employees' safety, company negotiators also emphasized "that under no circumstances did a Committeeman or a Steward have the right to countermand instructions of a Foreman." Backed into a corner, the committeeman involved in the wildcat promised that he would not countermand a foreman in the future. Indicative of its now more sophisticated approach, and despite the fact that this was the third incident in less than two years involving the same committeeman, the company did not press its advantage. It suspended the committeeman for four days and the worker involved for three days.

The company's success at getting the union and workers at Detroit to abandon wildcats had more gradual and varied consequences for shop floor patterns of relations than the same change at Dodge Main and other assembly plants. Unlike car assembly workers, Budd workers' retained control over the pace of production. The effort control system also helped maintain collective patterns of shop floor relations. The declining authority of supervisors probably did lead to a decline in the frequency of organizational patterns of shop floor relations in which workers and

stewards had influence over many aspects of production management. Even these, however, appear to have survived in more cohesive parts of the plant such as the wheel (see chapter 10F). Here, after the open conflict of the mid-1960s, workers and supervisors found ways to reconstruct their historic relationship that either escaped the notice or had the silent approval of labor relations.<sup>218</sup> Thus, worker-supervisor cooperation was punctuated by periodic slowdowns or other subtle collective action as an alternative to both work stoppages and frequent use of the grievance procedure. Formal grievances played little role in fractional bargaining in these areas, presumably because supervisors had no authority to make concessions to workers.<sup>219</sup>

The preservation of more subtle collective traditions helps explain why the Revolutionary Union Movement (RUM)

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<sup>218</sup> In the wheel, for example, after a succession of short-tenure superintendents, Jack Albertson--son of a long-time superintendent who ruled in the heyday of Unit autonomy--took the job. After that, an organizational pattern of shop floor relations prevailed in the truck wheel until it left the plant in early 1983. When the passenger wheel operation was moved to Frankfort, Ohio in the early 1970s, Albertson became the plant manager there.

<sup>219</sup> Thus, rather than filing more than proportional numbers of grievances as they had when shop floor negotiation often resolved them, wheel workers filed almost none at all in the 1970s. Labor relations officials may have left more low-key fractional bargaining that reemerged in the wheel alone because doing anything else would have lowered its performance. In addition, as long as formal grievances and work stoppages did not take place, the plant's labor relations department would appear to be doing an excellent job in its annual reports to corporate headquarters. The performance of the wheel and foundry was not good enough to prevent the closure of these parts of the Detroit operations.

never took hold at Detroit in the late 1960s. Continuing channels of informal influence on supervisory behavior and working conditions produced little of the anger against union officials as well as management that fueled support for RUMs at other plants.

Over the long term, and in combination with economic and demographic trends, Budd's adoption of the procedural approach produced a more pronounced shift towards individualistic patterns of shop floor relations. The major economic trend reinforcing this tendency was Budd's 1960s change in investment strategy. The closing of the foundry and the passenger wheel at Detroit shrank employment by almost 40 percent from 1967 to 1972 and took with it some of the plant's younger, more militant workers and two of its most militant areas. Layoffs also reinforced the timidity of older workers now at the bottom of the seniority list. Area economic decline simultaneously raised the cost of job loss.

Demographic trends also contributed to the decline in workforce cohesion. In the 1950s and 1960s, a cohesive and integrated social structure in parts of the plant reinforced and was reinforced by a stable black community structure in the city. After that, rising expectations met declining opportunity. At Budd and elsewhere, second generation Detroit natives replaced first generation migrants from the south (interview with steward Claude Strickland 11/88). The 1967 Detroit riots produced a



qualitative change in the attitude of young black workers. One outcome was the rise in absenteeism seen throughout the industry and a rise in drug use in the community and the plants. This may have reinforced generational and attitudinal divisions in the workforce and made collective approaches that much harder to sustain. The civil rights movement and union pressure also opened up positions in management for enterprising young blacks who a generation earlier might have opted for or been stuck in steward positions. As the union's power and presence in the plant declined, this simultaneously weakened the peer pressure and sense of social responsibility that tied earlier leaders to the shop floor.

External political and economic factors and Budd's emphasis on the grievance procedure meant that by the mid-1970s, work stoppages became confined to small numbers of workers and to protests about hot or cold temperatures in the plant (see table A.1). As stoppages dwindled in breadth and the company forced union officials to further divorce themselves from such actions, they became less strategic and effective. Worker influence over standards, supervisory behavior and working conditions became more dependent on the traditions of individual work groups. In the process, ties weakened among workers in different departments and between militant work groups and local union officials. By the mid-1970s, as stoppages shrank in size and became less frequent, the company could easily

isolate who participated in them. For workers who joined weather walkouts in the 1970s, a letter entered into a file one year sometimes became a two-week or indefinite suspension a year later.

Reflecting the evolution of patterns of shop floor relations, the composition of grievances changed radically over time (table 8.7, figure 8.4). In the first half of the 1960s, about one in four production workers filed grievances to protect against the weakening of contractual provisions and customary rights during Project Progress. By the mid-to-late 1970s, production worker grievances to enforce the contract or pressure supervisors were filed at about a quarter of that rate (per worker). Disciplinary grievances represented over 60 percent of the total. The rise in disciplinary grievances meant that, between 1974 and 1979 alone, 513 workers were denied reinstatement for absenteeism. Another 709 were reinstated (table 8.8).<sup>220</sup> A discharge category called "industrially unemployable" grew in importance over this period and accounted for another 460 reinstatements and 56 denials. Discharge for being "industrially unemployable" was possible for an accumulation of absence, poor performance or other on-the-job infractions. As with discharge for absenteeism alone, the company used this category primarily as a warning and

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<sup>220</sup> These numbers are inflated by union and management agreement to use the grievance procedure as a way of giving Probationary employees a hearing before dismissing them-- even though they have no rights under the contract.

**TABLE 8.7: GRIEVANCES PER 1000 WORKERS FOR MORE AGGREGATE GROUPINGS OF GRIEVANCES AT BUDD-DETROIT**

| Year | Discharges + Discipline | "SKILLED": SJ + OC | "PRODN": SW + P&NPJ + JR + OT + Seniority | Wage or Pay Related | Health and Safety |
|------|-------------------------|--------------------|---|---------------------|-------------------|
| 1962 | 78                      | 100                | 144                                       | 52                  | 55                |
| 1963 | 74                      | 147                | 225                                       | 55                  | 45                |
| 1964 | 83                      | 126                | 209                                       | 36                  | 60                |
| 1965 | 121                     | 76                 | 190                                       | 30                  | 33                |
| 1966 | 95                      | 118                | 190                                       | 20                  | 26                |
| 1967 | 61                      | 63                 | 72  | 39                  | 17                |
| 1968 | 96                      | 25                 | 45  | 17                  | 6                 |
| 1969 | 88                      | 40                 | 69  | 14                  | 11                |
| 1970 | 102                     | 71                 | 107                                       | 28                  | 12                |
| 1971 | 85                      | 67                 | 80  | 21                  | 9                 |
| 1972 | 87                      | 76                 | 77  | 22                  | 11                |
| 1973 | 155                     | 58                 | 51  | 9                   | 7                 |
| 1974 | 144                     | 52                 | 56  | 8                   | 10                |
| 1975 | 128                     | 106                | 80  | 9                   | 10                |
| 1976 | 152                     | 36                 | 24  | 7                   | 4                 |
| 1977 | 250                     | 41                 | 34  | 11                  | 8                 |
| 1978 | 258                     | 30                 | 34  | 12                  | 5                 |
| 1979 | 178                     | 29                 | 38  | 7                   | 11                |
| 1980 | 91                      | 91                 | 62  | 13                  | 8                 |
| 1981 | 71                      | 59                 | 53  | 9                   | 3                 |
| 1982 | 95                      | 39                 | 118                                       | 11                  | 4                 |
| 1983 | 84                      | 65                 | 35  | 8                   | 5                 |
| 1984 | 67                      | 71                 | 175                                       | 7                   | 6                 |
| 1985 | 142                     | 220                | 109                                       | 33                  | 61                |
| 1986 | 128                     | 76                 | 43  | 10                  | 13                |
| 1987 | 110                     | 138                | 78  | 16                  | 36                |

Abbreviations:

SJ: Skilled Jurisdictional  
 OC: Outside Contracting  
 SW: Supervisor Working  
 P&NPJ: Production and Non-Production Jurisdictional  
 JR: Job Rights  
 OT: Overtime

NOTE: In 1962-65, skilled and direct plus indirect production jurisdictional grievances were grouped in the improper work assignment category. In the table above, 3/4 of these have been placed in the "SKILLED" column for 1962-65 and 1/4 have been placed in the "PRODUCTION" category. Except for three outliers between 1966 and 1987, the skilled jurisdictional grievances always make up between 69 and 85 percent of the sum of skilled and production/non-production jurisdictional grievances.

SOURCE: Author's calculations from company records

FIG. 8.4: GRIEVANCE RATES, MAJOR GROUPS

BUDD - DETROIT, 1961-1987

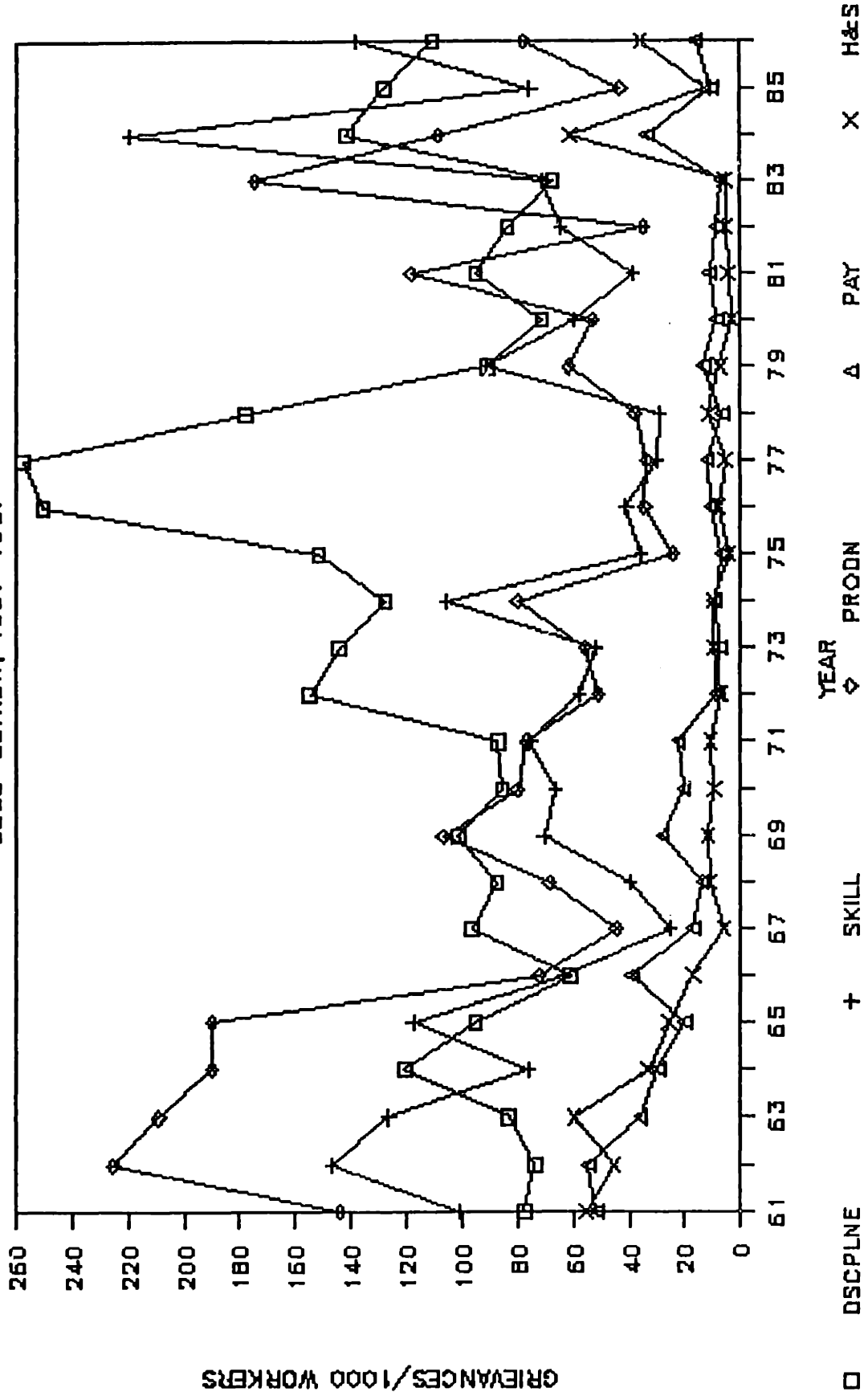


TABLE 8.8: DISCHARGES BY YEAR AT BUDD-DETROIT

|                                    | 1962 | 1963 | 1964 | 1965     | 1974            | 1975            | 1976            | 1977            | 1978   |     |     |     |     |     |     |
|------------------------------------|------|------|------|----------|-----------------|-----------------|-----------------|-----------------|--------|-----|-----|-----|-----|-----|-----|
|                                    |      |      |      | Reinst'd | Denied Reinst'd | Denied Reinst'd | Denied Reinst'd | Denied Reinst'd | Denied |     |     |     |     |     |     |
| EXCESSIVE ABSENTEEISM              |      |      |      | 115      | 145             | 29              | 42              | 22              | 35     | 48  | 55  | 43  | 66  | 64  | 60  |
| USING MEDICAL TO COVER ABSENTEEISM |      |      |      |          | 33              | 11              | 27              | 9               | 15     | 12  | 66  | 30  | 117 | 50  |     |
| THREE DAY ABSENT--VOLUNTARY QUIT   |      |      |      |          | 45              | 21              | 20              | 3               | 15     | 11  | 25  | 11  | 31  | 8   |     |
| ALL ABSENTEEISM                    |      |      |      | 115      | 145             | 107             | 74              | 69              | 47     | 78  | 78  | 134 | 107 | 212 | 118 |
| INDUSTRIALLY UNEMPLOYABLE          |      |      |      | 19       | 15              | 42              | 6               | 76              | 10     | 76  | 7   | 88  | 10  | 102 | 11  |
| WALKING OFF JOB WITHOUT PERMISSION |      |      |      | 8        | 8               | 12              | 0               | 15              | 7      | 16  | 3   | 44  | 17  | 47  | 11  |
| INSUBORDINATION                    |      |      |      | 6        | 7               | 3               | 1               | 1               | 1      | 0   | 1   | 11  | 4   | 6   | 17  |
| REFUSING JOB ASSIGNMENT            |      |      |      |          |                 | 1               | 1               | 2               | 0      | 6   | 0   | 11  | 4   | 16  | 8   |
| PROBATIONARY RELEASE               |      |      |      |          |                 | 0               | 64              | 0               | 33     | 0   | 129 | 19  | 154 | 9   | 40  |
| ALL OTHER                          |      |      |      | 55       | 66              | 51              | 40              | 53              | 25     | 39  | 12  | 77  | 56  | 99  | 49  |
| TOTAL                              |      |      |      | 203      | 241             | 216             | 186             | 216             | 123    | 215 | 230 | 384 | 352 | 491 | 254 |
| GRAND TOTAL                        | 236  | 150  | 242  | 444      | 402             |                 |                 | 439             | 445    |     |     | 736 |     | 745 |     |

## NOTES:

1. In 1976 forward, reinstated sums reinstated at step four and "reversed" at step five. Denied sums denied at step four and "upheld" at step five.
2. The 1965 figure for "walking off the job without permission" consists of a category labelled "off job" on the discharge report.
3. In 1974, five workers in the category "leaving plant without permission" were reinstated. This sub-category was not used in other years and thus is not shown.

TABLE 8.8 (continued): DISCHARGES BY YEAR AT BUDD-DETROIT

|                                       | 1979     |                 | 1980     |                 | 1981     |                 | 1982     |                 | 1983     |                 | 1984     |                 | 1985     |        |
|---------------------------------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|--------|
|                                       | Reinst'd | Denied Reinst'd | Reinst'd | Denied Reinst'd | Reinst'd | Denied Reinst'd | Reinst'd | Denied Reinst'd | Reinst'd | Denied Reinst'd | Reinst'd | Denied Reinst'd | Reinst'd | Denied |
| EXCESSIVE ABSENTEEISM                 | 49       | 47              | 11       | 9               | 4        | 1               | 10       | 20              | 11       | 4               | 10       | 3               | 7        | 3      |
| USING MEDICAL<br>TO COVER ABSENTEEISM | 41       | 37              | 9        | 11              | 9        | 8               | 4        | 0               | 5        | 3               | 1        | 1               | 1        | 1      |
| THREE DAY ABSENT--<br>VOLUNTARY QUIT  | 19       | 5               | 3        | 0               | 7        | 1               | 4        | 2               | 2        | 0               | 0        | 0               | 0        | 0      |
| ALL ABSENTEEISM                       | 109      | 89              | 23       | 20              | 20       | 10              | 18       | 22              | 18       | 7               | 11       | 4               | 8        | 4      |
| INDUST-<br>RIALLY<br>UNEMPLOYABLE     | 76       | 12              | 31       | 3               | 20       | 5               | 32       | 3               | 39       | 3               | 19       | 1               | 74       | 7      |
| WALKING OFF<br>JOB WITHOUT PERMISSION | 21       | 13              | 4        | 4               | 5        | 0               | 3        | 0               | 1        | 0               | 6        | 1               | 3        | 0      |
| INSUBORDINATION                       | 10       | 7               | 2        | 0               | 7        | 0               | 3        | 0               | 2        | 2               | 2        | 0               | 3        | 0      |
| REFUSING JOB ASSIGNMENT               | 6        | 3               | 1        | 0               |          |                 | 2        | 0               | 1        | 0               | 1        | 0               | 3        | 2      |
| PROBATIONARY<br>RELEASE               | 0        | 9               | 0        | 2               | 1        | 3               | 2        | 2               | 0        | 2               | 0        | 0               | 3        | 7      |
| ALL OTHER                             | 65       | 31              | 26       | 13              | 14       | 5               | 15       | 7               | 19       | 6               | 24       | 6               | 16       | 10     |
| TOTAL                                 | 287      | 163             | 87       | 42              | 67       | 23              | 75       | 34              | 80       | 20              | 63       | 12              | 110      | 30     |
| GRAND TOTAL                           | 450      | 236             | 129      | 90              | 109      | 75              | 100      | 140             | 75       | 140             | 140      | 140             | 140      | 140    |

only occasionally as a way of firing non-probationary employees. Nonetheless, these numbers indicate that a substantial fraction of Detroit production employees spent time on negotiated probation at some point in the 1970s.

Combined with the decline in collective action, the changing composition of grievances soured many production workers on the union. Rather than enforcing "offensive" grievances that preserved shop floor protections for workers in general, union officials spent increasing fractions of the time defending workers with poor attendance records on the verge of losing their jobs. In many cases, after the progressive discipline procedure became institutionalized, the union knew it would lose cases it pursued to arbitration. It ended up pleading with management on behalf of individual workers. Concern about provoking management into recalcitrance on discipline issues meant sacrificing more collective gains in other areas.

iv. Shop Floor Power and Union Commitment Among Skilled Workers

Work group solidarity and union commitment was better sustained over time among skilled workers at Budd-Detroit. Budd's decentralized management and lower supervisory ratios gave skilled workers unusual independence on the job. Immediately after World War II, each electrical trades supervisor had responsibility for 70 hourly workers

and was assisted by three hourly leaders. The local's contract clause restricting outside contracting (and history of work stoppages on the issue) meant that managers consulted extensively with stewards about planning work and overtime. Pattern plus wages before the 1960s, the diversified character of Budd-Detroit's production, and the engineering orientation of top company officials also helped Budd-Detroit attract highly qualified skilled employees and, in the process, sustain a collective identity based on their pride in craft. Summarizing their memories, several 40-year skilled workers looking back on their early years at Budd in the 1980s remarked that, back then, the "skilled trades already had employee involvement."

The removal of responsibility for labor relations from the shop floor and the adoption of the procedural approach after the 1960s had some influence on supervisor/worker ties and patterns of shop floor relations among skilled workers. The supervisory ratio in the electrical trades went from 1/70 to about 1/15 in 1986 (compared to an overall level of 1/10, 140 supervisors for a workforce of 1400). Some skilled workers believe that this went along with a loss in efficiency: according to one, it took only 4 hours to change dies in the press shop in the late 1960s compared with 20 by the early 1980s. The plant's reputation as a mini-Rouge and a place for elite skilled



workers suffered somewhat as Detroit's product line narrowed.<sup>221</sup>

A tool-and-die steward also argued that the decline in large-scale collective action had diminished even skilled workers' leverage because "less than wildcats don't work, management doesn't notice." He described the contraction of union militance as a gradual but progressive process: "whenever things get slow, you pull in your horns some. Each time you pull in your horns, they don't go out as far next time." Despite some decline in skilled worker autonomy, soliarity and militance, however, an organizational pattern of shop floor relations persisted. Changes in managerial approach and technology had only marginal effects on the importance of workers' skill in production. Small-scale collective action did persist among skilled workers: refusal to work overtime, small work stoppages and other actions continued to punctuate conflict between skilled workers and the company--often over the issue of oustide contracting.

Grievance records also show that skilled workers lost less of their power, unity, and ties with shop stewards over time. From 1960 forward, while they fluctuated considerably, skilled trades jurisdictional and outside contracting grievances continued at the same rate/worker

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<sup>221</sup> This happened more in the 1980s as its wages drifted below those of the Big Three and young, recently-apprenticed trades were tempted to go to work at GM's nearby, high tech, Poletown plant.

and accounted for to account for 10-25 percent of the total (table 8.7).

The preservation of collective traditions and shop-floor autonomy among skilled workers helped limit the waning of union consciousness that came with increasing worker affluence and generational changes. A 1968 conflict between the Budd local and the International also sustained local union consciousness among skilled workers at Budd-Detroit. The 1968 fight began when skilled workers at Budd-Detroit rejected a contract approved by production workers because it failed to adequately satisfy their demand for special wage increases to close the wage gap with construction workers. Budd skilled employees interpreted a recent strengthening of the separate ratification clause in the UAW constitution to mean that its skilled workers' vote nullified the contract as a whole. The International interpreted the clause differently and wanted to avoid the fragmentation between skilled and production workers that it felt would follow from the Local 306 interpretation. Both the International and the company considered the negotiated contract in effect. Local 306 then began a concerted refusal of overtime. The International refused to pay for the legal fees of Local 306 when Budd sued local union leaders for breach of contract. In 1986 interviews, almost all long-term skilled tradesmen raised the subject of the 1968 battle with the International in interviews.

v. 1978-1983: End of an Era

The 1979 recession marked the beginning of the fourth stage in Detroit's labor history. After rising in the expansion of the late 1970s, discharges for walking off the job without permission, insubordination, and refusing a job assignment virtually disappeared after 1979. The last heat walkout took place in 1978. In 1986, a press operator contrasted a heat walkout in the middle 1970s, when they were still accepted practice, and one several years later. "[Earlier,] it was enough people that...there wouldn't be no firing...The majority of people left out of here." After such occasions, if it was hot, the company would give out free drinks, repair the fans and try to keep the plant cooler. A few years later, the worker continued, "about 30 people" initiated another heat walk out. "As far as they got was downstairs and they realized wasn't nobody else coming..." A second worker said, "We used to go when we got too hot. But after the last walkout management said, 'you walk out, we fire you.'"<sup>222</sup>

The dramatic drop in discipline for absenteeism also documents the collapse in worker confidence after the

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<sup>222</sup> At Chrysler, according to Jefferys (1986, 190), "As recently as 1977 heat walkouts had still been regarded as natural under extreme weather conditions..." By 1979, Chrysler got seven workers sent to prison for refusal to obey an injunction to stop picketing after a heat strike.

recession began.<sup>223</sup> An increase in the cost of job loss together with the workforce selection effects of earlier discipline meant that few remaining workers behaved in ways that risked discharge.

The rank-and-file rejection of wage concessions recommended by Local President Norm Tunesi in early 1983 to save the remaining part of the truck wheel operation conveys the distrust of upper management that went along with the decay of workers' shop floor power. It also testifies to the declining influence of the top local union leadership as well as to the preservation of a network of influential workers that shaped shop floor opinion. In January 1983, Budd announced the decision to close the Detroit truck wheel operation. After consulting with the bargaining committee, Tunesi approached the plant manager about the possibility of saving the wheel by accepting wage concessions. In the end, the rank-and-file was offered a chance to vote on a \$2.12 an hour COLA concession for the plant as a whole. This would go into effect if the company attracted enough business to to keep the wheel open.

Perhaps sensing the mood of the rank-and-file, the bargaining committee reversed its initial private support

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<sup>223</sup> Since the union won 12 Paid Personal Holidays in the 1979 agreement, this might have cut down on absenteeism by giving workers a legitimate way of taking time off periodically. If PPH days were the dominant factor in the decline of absenteeism discharges, one would have expected them to increase again after the union gave up 9 PPH days in the 1982 contract. There was, however, no increase. This supports the claim that worker job security fears explain most of the post-1979 fall.

for the agreement and, unlike Tunesi, refused to endorse ratification. Tunesi felt the concession would be critical to the preservation of employment in the plant as a whole. He received several death threats and wore a bullet-proof vest at a local union meeting to discuss the issue. At the meeting to explain the reason for accepting concessions, black Regional Director Perry Johnson was shouted down by an angry crowd of rank-and-file workers. Despite an area unemployment rate of around 15 percent and a net loss of 190,000 manufacturing jobs (out of 619,000) in and around Detroit in the previous four years, the concessions were rejected by a vote of 863-66. Interviews in 1986 indicated that influential figures in the local opposed the concessions because they believed management had already decided to move the plant as well as because of doubts about the company's commitment to save jobs if concessions were accepted. But while they overwhelmingly rejected concessions, the people who worked in the wheel retained a sense of community that extended into the middle management ranks. They hosted a party in the Local 212 union hall that encompassed members of both races, the bargaining committee, and workers and managers from a wide range of departments including engineering. Into the complex social relations implied by these events would come Budd's attempts to introduce employee involvement and more cooperative shop floor relations in the remainder of the 1980s.

## F. Kitchener Labor History

Whoever had the hammer had it made. Union had the hammer, we had it made. When we got a new contract in this plant, we needed a higher rate, we hit the street. We had the hammer. We held it. Seventy-nine, the company took the hammer. And they've had it ever since.

Union Steward  
Budd-Kitchener, 3/21/86

Labor relations throughout Budd's smaller and less diversified Kitchener, Ontario plant have always been more uniform than in the sprawling, multi-story Detroit complex. Budd-Kitchener's labor history divides into three periods. Kitchener opened under an extremely aggressive production management team that sought to intimidate workers into raising effort without demanding higher piece rates. By the mid-1970s, this approach helped breed a militant shop floor union and precipitate a rash of work stoppages. The company responded by attempting to remove grievance settlement from the shop floor and take a firm line against pressure tactics. Economic expansion and a major sole source contract, however, made it hard to do this consistently. Workers learned that procedural channels produced little response but direct action immediate attention. Work stoppages occurred with increasing regularity until 68 work stoppages took place in 1978 alone. The auto recession brought on the third stage in the plant's labor history. As the workforce began a decline from 3000 to a low of 600 and the plant faced the

possibility of closure, management and union agreed to a shop floor cease fire. Wildcats, walkouts and sitdowns dwindled. By the mid-1980s, stable collective patterns of conflict resolution had evolved which included periodic use of less drastic collective action.

i. 1967-1974: The Company Has the Hammer

Kitchener is a city of 132,000 an hour west on route 401 from Toronto. Budd's plant in Kitchener was the first major investment in Canada after the signing of the U.S.-Canada Auto Pact. As a result of the labor problems at its existing quota and piece rate plants, the corporate Vice-President of Industrial Engineering and Jim McNeal, Budd-Canada's first President and later Budd CEO, advocated operating the new plant on a day rate. The company's older, production-oriented management, however, continued to favor piece rates because they were "somewhat self-regulating and needed less supervisors and less sophisticated management" (interview with McNeal, 11/80). Piece rates had also proved able to achieve high levels of output on physically-demanding frame jobs at Philadelphia and Gary.

Plant management combined incentive pay with other strategies designed to induce high effort and output levels that reduced fixed costs while containing labor costs per part. While few in number, supervisors--selected in part to be physically intimidating--and the threat of

suspension, firing, or being placed on more difficult or less financially rewarding jobs reinforced the attempt to assure high output at modest rates per piece.<sup>224</sup> Hourly lead hands assisted supervisors and dealt with minor maintenance or other problems that threatened to slow down production. The plant hired a strong, young workforce to perform its stamping and assembly jobs. A third of these were immigrants and another 15 percent were internal Canadian migrants.<sup>225</sup> Immigrants' interest in maximizing short-term earnings helped the company achieve high piece rates. Especially at a plant that soon had among the highest paid manufacturing jobs in the area, immigrants were also less likely to challenge the company's autocratic management. In the short run, autocratic management and workforce fear and inexperience translated into an individualistic pattern of shop floor relations. Of necessity, workers cooperated to keep up a rhythm or solve small problems on press or assembly lines. Although the

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<sup>224</sup> Wide variation in incentive earnings on different jobs in the plant's early years increased supervisory leverage when placing employees (for evidence on the variation, see table 8.9 below).

<sup>225</sup> In 1988, one plant source estimated that the plant employed 10 percent Yugoslavians; 7 percent Portuguese; 10 percent Germans; 4 percent Indians and Pakistanis; 5 percent British; 10 percent from Newfoundland; 6 percent from Cape Britton and Nova Scotia. This means that about half the workforce was from Ontario. The company actively recruited some of its immigrants. For example, the plant's initial complement of skilled trades included nine workers recruited from Britain. Later the company flew a plane to Newfoundland, put workers up in a Kitchener hotel and provided them with transportation to the plant until they got settled.



**TABLE 8.9: PIECE RATE EARNINGS AT KITCHENER OVER TIME**

| 1972-88<br>BASED<br>ON | PRESS SHOP               |  |                                  |              | ASSEMBLY AREAS |     | TOTAL PLANT |     | AHE |       |
|------------------------|--------------------------|--|----------------------------------|--------------|----------------|-----|-------------|-----|-----|-------|
|                        | Base Rate<br>(\$dollars) | Avg. Inc.<br>Pct. Dm-<br>Pace (AIP) time (T) | Avg. Hrly Earn<br>ings, \$ (AHE) | Base<br>Rate | AIP            | ¥OT | AHE         | AIP |     | ¥OT   |
| 1972                   | 139                      | 13   | 10.11                            | 6.17         | 203            | 29  | 3.22        | 179 | 23  | 5.18  |
| 1973                   | 125                      | 18   | 11.24                            | 6.88         | 205            | 35  | 3.27        | 184 | 30  | 5.19  |
| 1974                   | 145                      | 23   | 10.58                            | 7.1          | 172            | 34  | 3.75        | 162 | 30  | 5.38  |
| 1975                   | 153                      | 24   | 12.10                            | 8.48         | 205            | 32  | 3.90        | 186 | 29  | 6.28  |
| 1976                   | 179                      | 23   | 14.12                            | 8.89         | 213            | 38  | 4.05        | 200 | 33  | 6.76  |
| 1977                   | 173                      | 26   | 14.89                            | 9.02         | 224            | 37  | 5.08        | 204 | 33  | 8.62  |
| 1978                   | 189                      | 33   | 15.42                            | 9.25         | 246            | 39  | 5.21        | 218 | 37  | 9.08  |
| 1979                   | 179                      | 30   | 16.17                            | 9.57         | 204            | 29  | 5.38        | 198 | 30  | 9.07  |
| 1980                   | 184                      | 24   | 17.93                            | 10.45        | 172            | 25  | 6.70        | 177 | 24  | 10.62 |
| 1981                   | 185                      | 31   | 11.01                            | 6.88         | 196            | 34  | 6.90        | 192 | 33  | 11.15 |
| 1982                   | 168                      | 30   | 10.58                            | 7.1          | 176            | 41  | 7.13        | 173 | 38  | 10.36 |
| 1983                   | 161                      | 32   | 12.10                            | 8.48         | 193            | 37  | 8.51        | 179 | 35  | 12.88 |
| 1984                   | 196                      | 30   | 16.42                            | 8.89         | 220            | 30  | 16.36       | 211 | 34  | 15.44 |
| 1985                   | 203                      | 38   | 14.89                            | 9.02         | 214            | 28  | 16.42       | 209 | 32  | 15.74 |
| 1986                   | 209                      | 40   | 15.42                            | 9.25         | 221            | 26  | 17.33       | 217 | 32  | 16.65 |
| 1987                   | 211                      | 39   | 16.17                            | 9.57         | 221            | 29  | 17.79       | 216 | 34  | 16.95 |
| 1988                   | 210                      | 36   | 17.93                            | 10.45        | 217            | 28  | 19.25       | 214 | 32  | 18.60 |

| (B)<br>BASED<br>ON DATA<br>FOR THE<br>WHOLE<br>YEAR:<br>1983-<br>1988 | TOTAL PLANT |     | TOTAL PRESS SHOP |     | ALL ASSEMBLY AREAS |     | DEPT. 109--BLANKERS |     | DEPT. 110--PRESS LINES |       |       |       |       |
|---|-------------|-----|------------------|-----|--------------------|-----|---------------------|-----|------------------------|-------|-------|-------|-------|
|   | AIP         | ¥OT | AHE              | ¥OT | AIP                | ¥OT | AHE                 | ¥OT | AIP                    | ¥OT   |       |       |       |
| 1972  | 168         | 27  | 4.82             | 33  | 173                | 40  | 12.19               | 163 | 156                    | 33    | 11.76 |       |       |
| 1973  | 156         | 31  | 4.53             | 38  | 194                | 36  | 14.24               | 185 | 18                     | 12.97 | 39    | 12.95 |       |
| 1974  | 156         | 31  | 5.20             | 40  | 202                | 29  | 15.55               | 190 | 21                     | 15.55 | 194   | 14.22 |       |
| 1975  | 147         | 33  | 5.13             | 38  | 199                | 29  | 15.75               | 190 | 19                     | 16.11 | 199   | 38    | 15.04 |
| 1976  | 155         | 33  | 5.54             | 39  | 202                | 29  | 16.50               | 195 | 19                     | 17.06 | 203   | 40    | 15.60 |
| 1983  | 167         | 38  | 12.05            | 38  | 219                | 31  | 19.03               | 189 | 16                     | 18.38 | 206   | 39    | 17.32 |
| 1984  | 186         | 37  | 13.74            | 38  | 194                | 36  | 14.24               | 185 | 18                     | 15.21 | 173   | 39    | 12.95 |
| 1985  | 199         | 34  | 14.95            | 40  | 202                | 29  | 15.55               | 190 | 21                     | 15.55 | 194   | 40    | 14.22 |
| 1986  | 199         | 32  | 15.51            | 38  | 199                | 29  | 15.75               | 190 | 19                     | 16.11 | 199   | 38    | 15.04 |
| 1987  | 200         | 33  | 16.03            | 39  | 202                | 29  | 16.50               | 195 | 19                     | 17.06 | 203   | 40    | 15.60 |
| 1988  | 213         | 34  | 18.30            | 38  | 219                | 31  | 19.03               | 189 | 16                     | 18.38 | 206   | 39    | 17.32 |

| 1983 | DEPARTMENT 117 ASSEMBLY |     | DEPARTMENT 119 ASSEMBLY |     | DEPARTMENT 122 ASSEMBLY |       | DEPARTMENT 124 ASSEMBLY |     | DEPARTMENT 126 ASSEMBLY |     |     |       |       |       |       |
|------|-------------------------|-----|-------------------------|-----|-------------------------|-------|-------------------------|-----|-------------------------|-----|-----|-------|-------|-------|-------|
|      | AIP                     | ¥OT | AHE                     | ¥OT | AIP                     | ¥OT   | AHE                     | ¥OT | AIP                     | ¥OT |     |       |       |       |       |
| 1983 | 174                     | 39  | 12.31                   | 188 | 33                      | 13.48 | 163                     | 45  | 11.42                   | 187 | 159 | 35    | 12.30 |       |       |
| 1984 | 200                     | 34  | 14.76                   | 203 | 31                      | 15.21 | 195                     | 44  | 13.62                   | 183 | 19  | 14.87 | 26    | 15.49 |       |
| 1985 | 189                     | 39  | 13.92                   | 211 | 23                      | 16.73 | 206                     | 37  | 15.04                   | 193 | 16  | 16.07 | 197   | 24    | 16.00 |
| 1986 | 168                     | 39  | 13.08                   | 208 | 22                      | 17.04 | 207                     | 35  | 15.68                   | 197 | 15  | 16.88 | 196   | 24    | 16.00 |
| 1987 | 182                     | 40  | 14.28                   | 215 | 26                      | 17.71 | 207                     | 37  | 16.02                   | 196 | 14  | 17.47 | 203   | 21    | 17.21 |
| 1988 | 194                     | 38  | 16.54                   | 226 | 26                      | 20.19 | 207                     | 36  | 17.61                   | 189 | 15  | 18.36 | 203   | 19    | 19.17 |

**NOTES:**

- Source: company records.
- The AIP (average incentive pace) figures above equal "standard hours earned"/"clock man hours used" when areas are not on downtime. When areas are slowed down an adjustment is made to compensate for the effect on operator's earnings during runtime, these "allowances" are added into the numerator of average incentive pace.
- Average hourly earnings (AHE) is estimated to be base rate times the fraction of the time an area is on downtime + base rate times average incentive pace/100 all times one minus the fraction of the time a line is on downtime. Since workers sometimes earn more than the base rate (e.g. "Prevailing Hourly Rate") when a line is on downtime, this method somewhat underestimates actual average hourly earnings. Since blanker's hourly earnings above hourly earnings. Since blankers always earn their average incentive wage when on downtime, the estimate of blanker's hourly earnings above is simply base rate x average incentive pace/100.
- When the company adds extra men to an incentive group, it accounts for this by adding the extra hours to the denominator of calculated avg. incentive pace: i.e., to the denominator of "standard hours earned"/"clock man-hours" used. This adjustment means that the formula for AHE in note 3 underestimates workers' incentive earnings.

company recognized the UAW in the plant's first year of operations, workers at first rarely joined together to challenge the company.

The charismatic Darwin Clay, Budd-Canada's first manufacturing manager and second President, set the tone of labor relations at Kitchener in its early days. At one level, Clay did the job for which he was hired. He helped establish high production norms that surprised even top company management. Filtered through two decades of shop floor conflict and rising union strength, the norms established initially still helped make Kitchener Budd's most profitable North American operation in the late 1980s. On the other hand, even after two decades, the collective memory of Clay's aggressive approach sustained solidarity against management among Kitchener's workers. A former committeeman, described his perceptions of Clay's approach: "Darwin Clay just didn't want any union people here...He wanted it his way. If he walked out on the floor and you weren't working, he wanted to fire you..." A press shop employee who never held union office remembered Clay saying, "this is not the first union I'll break and it won't be the last." The employee maintained that Clay

...and his lieutenants..., when this plant first opened up..., said "heh, while the contract is small and the union book has only got a few pages, get what you can out of the men for as long as you can."

For high seniority workers, one incident involving Clay symbolizes the nature of plant management in its early

years. The incident surrounded a dispute about overtime pay on Sunday. When the union refused to concede the issue, according to one of the union officials involved, Clay instructed a foreman to take the plant chairman, a committeeman, and the official outside the plant. At that time, committeeman did not have full-time off and could be reassigned to different jobs daily. They could not refuse a direct order without risk of being fired.

Clay instructed the three men to use shovels sawed off at the handle to clear snow three feet deep from plant walkways for 2 1/2 to 3 days. About two weeks later, supervisors took the officials to pits in the press shop and told them to clear out scrap for eight hours. After that, the union officers were taken to the shipping department to shovel sand back and forth between two piles twenty feet apart.

Clay's approached shaped that of plant supervisors before and after he left in 1971. Production workers hired into the plant before the union grew strong in the mid-1970s often tell personal stories of intimidation.<sup>226</sup> A union steward described his first day of work:

I went on line 13, right from Newfoundland, didn't know what a press was, didn't see that many people in my life...I worked with guys working here for 6 months, 8 months, that knew how to work...So [the foreman] says to me, "listen, Newfy you better keep up."...I worked so hard that I couldn't open my eyes, I was just soaked in sweat...I'd force myself to get them

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<sup>226</sup> Despite this, those with experience in non-union production jobs said that Budd at its worst was a better place to work.

open enough to get the part in. He walked over, he said, "listen, you stupid Newfy. You can't work any better than that, I'll fire you."

The same steward told a story of a foreman threatening workers with firing for an "air hit"--running the press without a part in it--or for letting the press come down twice on the same part.

The foreman said, "if you do it, you're fired." Union steward didn't say nothing because we were only new then, the plant was only open six years. This guy spoke up, he said, "...I don't agree with that. We're working so fast and hard." The foreman said, "OK, wait a minute...how many days you got in?" [The worker] said, "I got 60, as of today." [The foreman] said, "You just wait a second." He picked up the phone, he dialed upstairs..."This is his 59th," [they told him]. "You're fired. Out--right away."

The goal in these early years was numbers: "It was just push, push, push..." The company assigned quality a low priority. One press operator told of an incident when the die on his operation kept "tearing a hunk of metal out of a part probably as big as my hand" producing "obvious scrap." When he called a supervisor over to tell him to get the die fixed, the foreman told him, "'you shouldn't have stopped the line.'" In assembly, the company issued welders a two-pound hammer to put parts together. "If the equipment didn't [put the parts together] then you did it with a hammer..."

Union inexperience in this period meant that some contract provisions that had been negotiated went unenforced. While the contract contained seniority-based layoff and bumping provisions, they were often ignored in

practice. After laying off the most junior workers, supervisors reassigned remaining workers according to their own preferences: "...Some of the supervisors said, 'oh, he's a good worker, he's going on this job. He's an asshole, he's going on this job.'"

Darwin Clay left Budd-Canada in 1971. While this ushered in an era of "more liberal" plant management, the hostile character of shop floor relations established during his tenure continued. By 1973 and 1974, as the massive influx of workers hired during a 1971 expansion started to get to know one another, the balance of power on the shop floor began to shift. The Kitchener plant moved from an individualistic pattern of shop floor relations to a volatile variant of the collective pattern. Piece rates and self-pacing nurtured the same collective traditions that they had at Gary and Philadelphia. The youth of the workforce also made it more willing to resort to collective action. Many of these employees were single or without children in the mid- and late 1970s. The character as well as youth of the workers "screened in" by the labor climate and the nature of production jobs at Budd also contributed to the growth of collective confidence. As one production worker put it in 1986:

If 50 guys started on Monday, by the following Monday there'd be ten left. It was a tough job,...it was hot, the work was hard. Those that

stayed, you sort of distill out a certain type of personality...227

At first, workers' reaction to tight rates and autocratic management was confined to slowdowns or other hard-to-detect actions by individuals or small groups of workers to pass the day, vary the work pace, or increase their earnings.<sup>228</sup> By 1973 and 1974, worker frustration about supervisory harassment, favoritism in the allocation of overtime, violation of seniority-based job rights and an ineffective grievance procedure broke out into small scale sectional work stoppages.<sup>229</sup> As one union official put it, "There were all these little grass fires going on." News of these "grass fires" quickly spread to union stewards and then workers in other parts of the plant.

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227 The spacing of employee "badge numbers" on the seniority list document that only 10 to 25 percent of the individuals hired at Budd in the early to mid-1970s remained there for the next decade or more.

228 For example, as long as the pay point (machine that registers pieces produced and downtime) was not the slowest in the line, workers could increase their earnings by organizing subtle sabotage to create brief downtime. During this downtime, workers earned base rate (at least they did after the company eliminated a rule stating that base rate would only be paid after the first two minutes of downtime) and banked parts before the pay point. When the operation started again, workers went at breakneck speed until the bank was used up and the cycle could start again (the learning process followed by Kitchener workers as they tried to maximize earnings under the piece rate system is reminiscent of that in the plant described by Whyte 1951). Later in the 1970s, workers did not need to "create" downtime--they simply flicked the pay point onto downtime even if there was nothing wrong and then started the line again when the bank was full.

229 Evidence on relative piece rates in different parts of the plant suggests that collective action emerged first among more senior workers in assembly areas (see table 8.9).

"What happened to all those guys?" "They just quit working, they're not going to deal with that garbage." The end result was the union steward gets called out and then the foreman and the steward sit down, "what's the problem here?"

ii. 1975-1979: The Union Has the Hammer

By August 1974, according to company records, local action snowballed into the plant's first major wildcat, an eight day stoppage the proximate cause of which was a dispute over health insurance deductions. After this action, when reassigning workers during a layoff in 1975, the company followed a seniority bumping scheme designed with the union's help. Other issues, however, remained unresolved. Sitdowns, walkouts and wildcats became more regular events (table 8.10). The political and social life of the local grew in tandem with shop floor collective action. In 1975, the union built its local hall a quarter mile from the plant. It opened the bar there a year later. In 1975 local union elections, a militant opposition slate promising to take on the company swept into most of the open union jobs. From that date forward, election for union positions, from steward on up would always be hotly contested.

Participation around this time in two broader struggles with management and the government--the Canadian Labor Congress Day of Protest against wage controls and the fight for the dues check-off at Fleck auto parts in 1978--reinforced a broader sense of solidarity among the most

**TABLE 8.10**  
**WORK STOPPAGES AT BUDD-KITCHENER**

## (a) Work Stoppages by Source of Dispute, 1974-81

|      | Humidex | Disci-<br>pline | Incentive | Safety | Other | Total |
|------|---------|-----------------|-----------|--------|-------|-------|
| 1974 | 0       | 0               | 0         | 0      | 1     | 1     |
| 1975 | 0       | 3               | 0         | 3      | 3     | 6     |
| 1976 | 8       | 3               | 14        | 0      | 10    | 38    |
| 1977 | 2       | 0               | 13        | 0      | 2     | 17    |
| 1978 | 22      | 7               | 14        | 6      | 19    | 68    |
| 1979 | 0       | 1               | 12        | 4      | 10    | 27    |
| 1980 | 0       | 0               | 0         | 0      | 0     | 0     |
| 1981 | 0       | 0               | 4         | 1      | 1     | 6     |
| 1982 |         |                 |           |        |       |       |
| 1983 |         |                 |           |        |       |       |
| 1984 |         |                 |           |        |       |       |
| 1985 | 0       | 0               | 0         | 0      | 0     | 0     |
| 1986 | 0       | 0               | 0         | 0      | 1     | 1     |
| 1987 | 0       | 0               | 1         | 0      | 0     | 1     |

## (b) By Type of Work Stoppage

|      | Sitdowns | Walkouts | Wildcats | Total |
|------|----------|----------|----------|-------|
| 1974 | 0        | 0        | 1        | 1     |
| 1975 | 5        | 0        | 1        | 6     |
| 1976 | 26       | 11       | 1        | 38    |
| 1977 | 15       | 1        | 1        | 17    |
| 1978 | 34       | 30       | 4        | 68    |
| 1979 | 23       | 3        | 1        | 27    |
| 1980 | 0        | 0        | 0        | 0     |
| 1981 | 6        | 0        | 0        | 6     |
| 1982 |          | 0        | 0        |       |
| 1983 |          | 0        | 0        |       |
| 1984 |          | 0        | 0        |       |
| 1985 | 0        | 0        | 0        | 0     |
| 1986 | 1        | 0        | 0        | 1     |
| 1987 | 1        | 0        | 0        | 1     |

## NOTES:

1. "Humidex" refers to stoppages over the temperature and humidity in the plant.
2. Walkouts refer to incidents where a group of workers leave the plant over a dispute with management. Wildcats refer to incidents in which workers picket the next shift and the whole plant therefore goes on strike.
3. Sources: 1974-81, company records; 1982-87, author's estimates.



active members of the local. As indicated by the fact that only one or two workers mentioned these episodes in interviews, however, these episodes were much less important to local solidarity than the Detroit 1968 fight against the International union was to the cohesiveness of the skilled trades at Local 306. When one former committeeman mentioned these incidents, he emphasized that Kitchener workers active participation grew out of their own daily experience on the job not out of a more abstract commitment to labor movement solidarity or the rights of women workers:

We had no problem getting people to go to these things at that time because it was bad in here. Now it's not bad in here. So we would maybe have a hard time sending 10 busloads of people to Fleck again. Or to send a couple of hundred people up to Ottawa...We were really protesting what was going on in here as well as protesting what was...going on in these other places.

Confronted with frequent interruptions of production in the mid-1970s, top management at Budd-Canada and in corporate employee relations conducted an extensive search for a labor relations executive who could help reestablish control on the shop floor at Kitchener. In late 1976, Budd hired Steve Nash, who had a reputation for toughness as well as extensive experience with the UAW at a volatile McDonnell-Douglas local. In the words of his successor, Nash was hired "during turbulent times for a specific function. Control the hourly workforce." Nash sought to impose a version of the GM approach. He systematically

deprived foreman of the power to settle grievances on the shop floor. He also issued a series of labor relations bulletins emphasizing plant rules on tardiness, relief time, reading newspapers in the plant, making emergency phone calls and the like. These included bulletins saying that stewards violated their rights if they left the job and played cards on company time.

At least until 1979, the conditions under which Nash's approach would work did not exist. Heavy demand for frames and other stampings translated into high profits that made the company reluctant to leave customers short of parts and able to afford concessions on rates. Extensive overtime to meet high demand further reduced the money worries of the young workforce. Running the plant at or above capacity sometimes exacerbated downtime problems, often a source of incentive pay disputes. From 1975 to 1979, Kitchener was the sole supplier of the Ford Torino frame. Although the Torino line itself was not a great source of disagreement between company and union, the Torino often stopped production in support of other work groups' actions in this period.

Low unemployment in Kitchener-Waterloo and the plant's expansion to 3200 employees contributed to the escalation of shop floor conflict in two ways. Workers fired could work across town at Lear-Siegler, Butler Manufacturing or other local manufacturing plants. In addition, Budd "was just desperate for people and would hire anybody. Some of

these people were pretty weird and wonderful." A substantial number of motorcycle club members joined the plant. So did workers attracted by both Budd's area-high wages and by its reputation for confrontation on the job. Drugs, some of them hard, also entered the plant in volume for the first time in the late 1970s. During the spate of stoppages in this period, Kitchener's workforce became known locally and throughout the Canadian union as "the Budd animals"--a badge of honor or dishonor depending on who used it.

The basic issue underlying the spate of work stoppages at Kitchener in the last part of the 1970s recalls the battle about the nature of dispute resolution at Detroit in the 1960s. As at Detroit, the labor relations department issued memos emphasizing that supervisors should pass grievances onto labor relations rather than negotiate a settlement, Nash emphasized that this would avoid establishing undesirable precedents (Eade 2/24/79). In part, Nash also sought to reestablish consistency in shop floor customs throughout the plant. On the other hand, even when workers did follow procedure, Nash rarely made tactical concessions.<sup>230</sup> As a result, workers often found

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<sup>230</sup> According to one source, Nash always "went directly by the book." In one case, for example, Nash refused to authorize keeping a registered nurse on the premises with the plant on shutdown but skilled trades at work. The contract only required a nurse with production workers in the plant. The skilled committeeman requested a nurse because of maintenance jobs being performed in high places. After failing to get a nurse from Nash, the skilled committeeman went to the plant manager and finally to Budd-

the grievance channel slow and backlogged. In February, 1979, for example, the grievance backlog equalled 125. Seventy-five of these were awaiting arbitration. According to a document drawn up by the union's legal counsel in 1979 (McLean, Chercover 1979; see also KWR 2/13/79),

At the first step, it has been company policy to deprive foremen of the power and independence to resolve grievances in an amicable way...The result of all this is that the grievance procedure and arbitration no longer serve to provide the employees of Budd Automotive with remedies for company breaches of the collective agreement. This breakdown, perhaps more than anything else, has compelled the workers to take self-help measures as the only available alternative to defend themselves against management breaches of the agreement.

While grievances brought few results, workers found that halting production got their problems addressed quickly. Budd's economic situation and the collective confidence of the workforce by late 1976 left plant managers reluctant to use the ultimate sanction for interruptions of production. Firing employees for leading direct action risked prolonged battles that the company could ill afford. Wildcats in this period to protest firings for individual acts of rule breaking gave managers' solid grounds for caution.

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Canada's fifth President, Hugh Sloan, who granted the request. Nash also liked "to be a winner" in disputes with workers and the union. As well as the large number of grievances pursued to arbitration under his tenure, his habit of arm-wrestling workers to prove his physical strength attests to his competitive nature.

Managers did suspend workers on occasion for their role in precipitating stoppages.<sup>231</sup> As at other plants, when wildcats took place, the company formally refused to bargain until workers went back on the job. But experience taught workers a different lesson. Work stoppages led the company to take demands seriously that otherwise went unaddressed. Workers learned, as one press operator said in 1986, that "the only way the company listened is when you're talking from Homer Watson (Boulevard). Then they'd listen real good."

Company records indicate that a variety of substantive issues contributed to the spate of work stoppages. Incentive rates played a more central role than any specific issue had in work stoppages at Detroit in the 1960s. Company records report that incentive rates accounted for 12 to 14 stoppages in each year between 1976 and 1979, as well as four of the six in 1981 (McLean, Chercover, 29-30, 37, 42 and 50 fwd). The most common rate issue concerned whether workers should get paid "Prevailing (i.e. average) Hourly Rate"--PHR--instead of base rate for downtime. PHR was initially reserved for the debugging period on new jobs or for extended periods of downtime beyond workers' control. It became a more important issue because of the mechanical problems associated with heavy

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<sup>231</sup> People's memories differed regarding whether the company ever tried to fire leaders of wildcat strikes. One of Budd's top managers in the late 1970s implied it was tried five or six times.

overtime as well as because workers' confidence made them demand it for progressively shorter periods of downtime. Perceptions of inequity also fueled incentive rate disputes on a new cross-member launched in 1979. Workers felt that the existing rate made it impossible to do much better than the base rate of \$6.94. At the same time, workers in another assembly area took home over \$11.00 an hour (Eade 11/12/79).<sup>232</sup>

Disputes over "Humidex"--heat and humidity in the plant--accounted for 32 of the 163 work stoppages recorded by the company between 1976 and 1978. In 1976, in a series of work stoppages, the union won a contractual letter which, when a wet bulb thermometer reached 93F/34C in the plant, permitted incentive employees to leave the plant if they produced a quota of parts equal to half of eight hours output at standard rate (or about one third of what would normally be produced on a job that averaged an incentive pace of 200 and two hours of downtime each day). Disputes about the details of the clause caused a flurry of stoppages again in 1978. Chief among these details was the question of where the temperature reading would be taken. The initial agreement specified that it be taken at the airport. Once other plants in the area had similar agreements, however, the phone line to the airport was often busy. Stoppages also occurred when the plant

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<sup>232</sup> In 1981, a new rate for a Jeep part in "department 117" caused several stoppages. The jeep rate remained a source of worker frustration in 1986 (see table 8.8).

switched from using fahrenheit to celsius. Workers maintained that the company was not rounding accurately and was forcing them to continue working in hot and humid conditions.

Safety figured centrally in 14 disputes at what local lore nicknamed "the finger factory." In one case, in mid-1978, an operator lost two fingers when a press being checked cycled (went up and down) twice. He tried to pull the part out after the first cycle. A jumper placed in the electrical circuit short-circuited a safety feature that prevented double-cycling. When the company suspended the electrician maintaining the machine at the time of the accident, a sitdown resulted. Following negotiations, the union skilled trades committeeman, an electrician, checked 100 presses and found 200 jumpers. In this and other cases, the union argued, the priority placed by the company on production led them to pressure supervisors and workers to disregard safety features. The incentive system made some direct production employees share the company's priorities and sacrifice safety for higher numbers and earnings.

Worker protest over managerial discipline--for such actions as leaving the job early, returning late from vacation, refusing to perform a job, and striking a foreman--also caused 14 stoppages between 1975 and 1981. These and related disputes about supervisory "harassment"--punitive job placement, refusal to grants leaves of

absence, marking employees absent on weekends when they claimed not to be scheduled to work, etc.--reflected the continuing war between workers and supervisors about their respective rights. As supervisors and managers freedom of action contracted, that of employees expanded. A few employee rights, like Humidex, found their way into the contract. Others became custom and practice in most parts of the plant: the right to leave the job at any time for genuine emergency relief, to take emergency phone calls or to get a drink of water.<sup>233</sup> As work group leverage grew, some supervisors began to use more cooperative approaches to achieve output goals.

Any tendencies towards pragmatic cooperation, however, remained overwhelmed by the general atmosphere of hostility. More than Detroit in the mid-sixties, open warfare superceded structured bargaining. By 1978 and 1979, routine factory events could reignite the smouldering feelings of rebellion on the shop floor. Twenty-six stoppages--admittedly most of them sitdowns--took place in the first 51 days of 1979. The official union leadership had progressively less control over shop floor eruptions. The plant chairman from 1977-1980 acknowledged in 1986 that

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<sup>233</sup> Early in the plant's operation, Kitchener workers had gained the right to 20 minutes personal relief over and above contractual breaks in the morning and afternoon. The origin of the 20-minute personal relief is in the notion that workers on time-studied jobs should get at least 4 minutes break in any hour when they do not have another break. Customary relief time based on a cumulation of time study breaks was fairly common in auto plants in the postwar period (see, for example, Whyte 1951).



"we...,the union, had no control in here and the company had absolutely no control." Another official commented,

Even in a...spontaneous work stoppage that happened earlier..., you could find the leadership...I think there was trouble finding that afterwards. Nobody wanted to either own up to it or there was no leadership there to admit to anything. Somebody would start the grassfire and just walk away from it and let it take off.

Many employees didn't know why they were leaving until after they got outside. Stewards and committeemen would walk along the picket line compiling a list of grievances to take back into the next round of crisis negotiations. Management and some workers said that a beautiful summer day or critical hockey game sometimes influenced shop floor leaders interest in finding a source of contention (Eade, 2/24/79)234

Through 1978, skilled trades precipitated none of the walkouts at Kitchener. Nonetheless, even here, traditions of cooperation between workers and supervisors were not well developed. In the 1970s, disputes did develop over the issue of outside contracting. The two parties negotiated a clause similar to Detroit's requirement that management give the union notice of outside contracting plans and sit down with the union to plan work in such a way that bargaining unit employees could perform as much of it as possible. Union and management also established weekly "efficiency meetings" where representatives of each

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234 In a similar vein, one long-serving Detroit steward said that heat walkouts were more likely when Detroit Tigers' pitching ace Al Newhouser was on the mound.

of four trades would sit down with skilled trades management. A former skilled trades committeemen reports, however, that management generally came to the union after it had already made up its mind. These meetings produced typical shopping lists of grievances rather than joint efforts to solve problems.

iii. 1979-1986: "It Used to Be War, Now It's Just Bargaining"<sup>235</sup>

Despite frequent work stoppages, profits at Kitchener remained high throughout most of the 1970s. On August 21, 1978, however, Budd-Canada President Jim Roth announced the loss of one of the plant's two major contracts, the Torino, as Ford switched from frames to unitized bodies. Over the course of the next 15 months, recession and the evaporation of Budd's traditional product market brought matters to a head. In the changing economic climate, unless something could prevent differences from leading to interruptions in production, Kitchener looked likely to close. Thus when, on October 31, 2,000 employees struck for 17 hours to protest excessive overtime, the company applied to the Ontario Labor Relations Board for a cease-and-desist order and an application to find the union in violation of the collective agreement and the Canadian Labor Relations Act. In November, the two parties worked out an adjournment.

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<sup>235</sup> This quote from a Kitchener employee is taken from Robertson and Wareham 1986. This section relies on this source in addition to interviews and company records.

In February 1979, Budd applied for a cease-and-desist order a second time when, with layoffs in the offing, the skilled trades initiated a wildcat to protest contracting out of skilled work (Eade 2/6/1979). In stark contrast to Detroit, this was the first walkout by skilled trades in the history of the plant. (Eade 2/13/79) On February 5, in "Intent 32", the company reaffirmed its agreement not to contract out with any of its own trades on layoff; to offer "all available hours" to in-house workers first; to "meet with the Bargaining Committee" before sub-contracting; and to meet with four skilled trades workers weekly to discuss scheduling and efficiency. The next day, the trades walked again, seeking payment for the weekend time they missed in the first dispute. A union official describes the event.

We had a signed agreement that said such and such and we had management saying, 'no way.' To take that through the arbitration system, it would have been unresolved for a long period of time. And the tradesmen just said, ... 'geez...', these production workers and the pressroom do it [stop work], sometimes they're successful...It's about time that we took some of our [own] actions.' They stopped working and the next day the company agrees to resolve the situation. Next day they sit down to get paid for sitting down the previous day...I think the company just said, 'that's it.'

On March 31, 1979, the matter adjourned "until and including March 31, 1980 on the condition that no strike activity take place during the adjournment."

At the plant, management and the union began meetings to try to work out some of the their differences. Then layoffs began. In May, 100 workers. In June, 440. In

July 500. In September, Hugh Sloan of Watergate fame took the job at the beginning of September.<sup>236</sup> Two and a half weeks later a two-day wildcat took place over an incentive rate. The company again applied for cease-and-desist order. This time the company appeared determined to proceed against the workers it perceived as instigating shop floor unrest.

They laded charges against about 100 people...They were going to offer to withdraw the charges [against the leadership]--...you're automatically charged because you're the leadership...We said, 'well, if we're going to go down, we're going to make sure everybody knows...why we've had this history, why it got to this stage. We're not going to abandon the people that are charged. So if they're going to charge, they're going to charge everybody and we're all going to state our case.'...We took everybody, we took busloads down to the board...

The OLRB responded by recommending that the two parties participate in a 4 1/2 mediation effort called Relationship by Objectives (RBO). Sloan advocated this approach and persuaded his superiors to support him. With little legal ground to stand on and faced with the prospect of workers losing jobs and union officials going to jail, the local and regional leadership of the union agreed. Forty-three members of the formal and informal union leadership and 43 members of management, including first-line supervisors--all the "power centers" in the plant,

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<sup>236</sup> Sloan's first memory of the plant is of being told not to walk on the shop floor by staff fearing for his safety. Antagonistic slogans concerning Watergate peppered the plant (Sloan 1985).

according to Sloan- -retired to a Hamilton hotel for a two-and-a-half day session.

The underlying theme of the report that came out of the RBO was mutual recognition of the other party's right to exist and the legitimacy of their role. Management committed itself to state to all management personnel that "it recognizes the role and responsibilities of the union, its bargaining committee and its officials." The union promised to "refrain from using its power to pressure for unreasonable demands, for example, shutting down lines to force reversal of disciplinary action when the company is under pressure to produce." The union also acknowledged "the role, rights, and responsibilities of supervisors" and "to be supportive of company goals." After the RBO, the plant shut down for a day and each committee reported its findings to the assembled workforce.

Then the layoffs continued. The hourly workforce dropped to 590. The joint union-management committees established by the RBO stopped meeting and the union formally killed the program in a March, 1981 letter to the company. But with the cease-and-desist order hanging over them until March 1980, and with the drastic deterioration in the economy, the work stoppages became infrequent. Attendees of the RBO say it established some of the mutual understanding absent during the years of frequent overt conflict. Foremen and stewards recognized that their counterpart also faced pressure and frustration on the job.

Asked in 1986 why the wildats stopped, most employees mentioned three other factors more than the RBO: the economy, the aging of the workforce, and the permanent layoff of some of the wilder young militants from the workforce. The role of these other factors is highlighted by the fact that six sitdowns took place in 1981, after the RBO, before employment fell again in 1982.

Despite employment losses in 1981 and an unemployment rate approaching 10 percent, the local union overwhelmingly rejected a company request for a \$1 COLA deferment to match concessions by an independent union at A.O. Smith in Milwaukee. As a result, Kitchener lost the extension of a GM A-frame contract that employed 600. The internal union dynamics that brought this about differed from those at Detroit when Local 306 rejected concessions to save the wheel in early 1983. Rather than recommending the cut or remaining neutral, the Kitchener leadership followed the national union policy and advised against a yes vote. At a special membership meeting, the local leadership, assisted by Canadian regional staff, argued that concessions don't save jobs and lead to bidding wars between workers.

Although the local rejected a wage concession, it did agree after an internal debate to initiate a union-management EI program. A union official said that one side in this debate felt

...that something still had to be done--it still wasn't the kind of working environment that the membership deserved. And, on the other hand, I think you had a group of people [saying], "yes,

but this is such a conciliatory thing that you're not representing the membership anymore, you're acting on behalf of the company."

The local's position as a supplier meant that it faced even greater pressure than most assembly plants to improve labor relations and assure its customers with a steady supply of parts. Ultimately, Mike McKinnon, president of the local from 1968 to 1975 (when he stepped down for personal reasons) and reelected in 1981, led the local into an EI program in November, 1983. McKinnon was the most outspoken proponent of "worker participation" within the Canadian union in the early 1980s--at one point debating Bob White's administrative assistant Sam Gindin on the issue at the union's IPS council before the council adopted guidelines governing local union entry into joint participation programs. At Kitchener, one union official said, "Mike was the principal mover in saying, 'EI's the direction for the future and that's the direction we're going to go.'" Together with the solidarity born of years of intense conflict, McKinnon's presence gave skeptical local leaders confidence that they could maintain control over any experimental joint programs. The initiation of EI led to the departure of Steve Nash. Given an ultimatum by the company to accept EI or resign, Nash chose the latter course.

CHAPTER 9. MANAGEMENT PLANT-LEVEL STRATEGY IN THE 1980s

As well as past patterns of shop floor relations, union strategy, and the economic and political context, the evolution of industrial relations depends critically on management strategy. This chapter reviews the critical elements of Budd's efforts to improve performance at Detroit and Kitchener. It should be kept in mind in the following discussion that the elements of management strategy and the connections among them at Budd (and other companies) are still evolving. Management actions at the plant level are better described as a set of tactics than a coherent, integrated strategy (Piore 1988). Individual tactics are introduced and modified adaptively in response to market pressures, changing technologies and workers' responses. They are also shaped by the historic U.S. preoccupation with labor costs, by the current fascination with Japanese production methods, and by the personal experiences and historic practices of the top managers who define plant-level strategy and the floor managers who implement it. Given the complex origins and transitional stage of managerial tactics at the plant level, it should not be surprising that these tactics could be combined to produce more than one future model of industrialization and associated pattern of shop floor relations.

While Sabel and coauthors (e.g. Sabel 1982; Piore and Sabel 1984; Sabel and Katz 1985) argue that flexible



automation and market fragmentation make the adaptability to produce for ever-changing, small volume niches more important to competitiveness than low-cost production, Budd managers did not emphasize this. When pressed on the issue, CEO Jim McNeal acknowledged that Budd's recent technological, organizational and labor initiatives--such as attempts to shorten die transition time--did help the company produce larger numbers of small volume parts and adjust more quickly to changing markets.<sup>237</sup> Exploiting niches was not, however, the guiding strategy behind Budd's restructuring.<sup>238</sup> Even quality, while critical, was viewed as likely to become less important as all competitors achieve exceedingly high levels. Thus, McNeal concluded in 1988 that "the emphasis globally is to get the cost down." One customer demanded in 1986 that Budd reduce costs in the following five years by 30 percent.

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<sup>237</sup> As in the past, Detroit and Kitchener in the mid- to late 1980s ran lower volume parts than typical for Big Three-owned regional stamping plants. Detroit stamped a total of almost 180 parts. In addition to parts for the 17 assemblies made on its eight assembly lines, this total included a range of miscellaneous replacement parts for the aftermarket. On average, this meant changing dies almost once every four 8-hour shifts on a three-shift operation. At Kitchener, there were 13,872 separate die sets at the plant in 1985--1 per press every three days. Some lines ran only two or three different parts and changed dies about once a week.

<sup>238</sup> Since new technologies make an order-of-magnitude difference to die transition time, Budd's older press lines could not possibly achieve die transition times approaching that of new plants. This makes it hard for Detroit, Kitchener and Philadelphia to compete in general (and maintain employment) by using a niche strategy.

Labor, capital (including tooling), materials and rejection rates (of raw materials and parts) are the major cost items in stamping production (Smith 1986). Hourly labor costs currently make up a little over 25 percent of sales costs in the company's Stamping and Framing Division.<sup>239</sup> Increasing use of automation is expected to reduce this over time: according to one union source at Kitchener, labor costs on some parts stamped and assembled on the company's most automated lines equal only 4 to 7 percent; at Shelbyville, hourly labor costs will drop to about 12 percent of sales.<sup>240</sup> Automation will make capital costs more significant. In the press shop, in turn, this will make die transition time--the time equipment lies idle while dies are changed to begin production of a different part--increasingly critical.

Budd's managers employed interrelated technology, work organization and labor relations strategies to achieve their cost and quality goals. On the one hand, they tried to adopt technologically and organizationally superior ways

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<sup>239</sup> Budd's Stamping and Framing Division had annual sales of about \$800 million in the 1980s. At that time, it's Stamping and Framing Plants employed about 4000 workers. Assuming an hourly labor cost of \$28 and 2000 hours per worker per year, this works out to \$224 million dollars--or 28 percent of \$800 million.

<sup>240</sup> Shelbyville is projected to have \$100 million in sales with an hourly workforce of 300. Assuming average hourly labor costs of about \$20 per hour, total hourly labor costs will be 12 percent of sales. Somewhat surprisingly, payroll as a percent of value-added has increased slightly over time in SIC 3465, automotive stamping. After hovering between 50 and 56 percent from 1972 to 1985, it rose to 60 percent in 1986 and 1987.

of manufacturing. On the other hand, they also sought the freedom that they believed non-union competitors enjoy to deploy labor and take other actions unimpeded by work rules or other restrictions. As we shall see, in established plants with histories of labor-management conflict, expanding managers' rights to direct production without undermining the cooperation necessary to take full advantage of new production methods is a difficult balancing act. The following sections describe in detail the work organization and labor aspects of management strategy that have the most direct influence on patterns of shop floor relations.<sup>241</sup>

#### A. Working Practices

The focus of Budd's shop floor revitalization efforts has been on revising work practices to increase "workforce utilization"--the fraction of the time employees spend working. Managers felt that restrictions on workforce utilization had been exacerbated by the strength of Budd's unions as well as 20 or more years of the codification of work practices in the contract. Without the elimination of contractual provisions written over decades of hostile

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<sup>241</sup> The implications of new technology for social relations are discussed in the context of other aspects of managerial strategy. The most important consequences of new technology are that it is making Budd's production jobs less physically demanding, reducing workers' control over the pace of work, and may substantially reduce production employment (and increase the ratio of skilled to production workers). For more detail on technology at Budd, see Appendix D.

labor relations, Wangbichler felt that "old rust belt" plants such as Detroit would inevitably close.

(i) Work Rules and Classifications

Budd managers described narrow job classifications and lines of demarcation as the most serious restrictions on workforce utilization. In their view, job classifications and strict lines of demarcation separating them raise labor costs by reducing the time that employees actually spend working. Direct production workers, for example, do not usually work if downtime or lack of parts interrupt their press or assembly line. Indirect production and skilled trades workers stand idle if there is no work available in their classification.<sup>242</sup>

In the production classifications at both plants, managers saw the reduction of indirect staffing as most important. Fluctuating and unpredictable workloads in indirect production (and skilled) jobs exacerbate the tendency of narrow classifications to increase staffing. Among direct production workers, the Kitchener incentive and Detroit quota systems made classifications and lines of demarcation between direct and some indirect classifications less of an impediment to workforce

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<sup>242</sup> At both plants, the recovery from the early 1980s recession made it politically easier to implement small changes in classifications on the shop floor. Stable or slowly growing employment from 1983 to 1986 enabled management to use attrition or reassignment rather than layoffs to deal with job elimination.

utilization than in machine-paced production. As long as they expected to make out or earn significantly above base rate, direct production workers wanted to keep the line going.<sup>243</sup> As a result, they were willing to handle materials or make minor machine adjustments even if such tasks fell outside their official job description. In addition to workforce utilization, some Budd managers connected the need to expand production worker inspection responsibilities to the need to improve quality.

Greater managerial flexibility to deploy labor can be achieved either by broadening job definitions or expanding supervisors' rights to move workers among classifications. At Kitchener, production classifications had recently broadened in two ways. Assembly welders now made chalk marks on bad parts. The production manager believed this had improved quality and eliminated about five inspectors for every 50 assembly welders. Managers had also negotiated the partial integration of separate office and production unit quality classifications. At Detroit also, press operators had been asked to take more responsibility for quality. In addition, some press operators at Detroit performed crane work in 1986, enabling a reduction in crane operator and "hook-up" employees.<sup>244</sup>

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<sup>243</sup> Indirect production workers may also want to keep the line going if they perform a specified inspection, materials handling, or other task that ends when the line finishes.

<sup>244</sup> In the past, the press shop had one crane and one hook-up operator under each supervisor each two press lines on each shift (there are a total of 13 lines in the press

In parts of Detroit, management also had significant rights to move workers between direct and indirect production tasks as workloads or absenteeism fluctuated.<sup>245</sup>

A small number of press operators were loaned when necessary to quality, lift truck, and die-setter classifications.<sup>246</sup> In one or two cases, production workers also covered for vacationing or absent press shop supervisors. At Kitchener, production workers could not be borrowed into other classifications. This caused particular difficulties on weekends when only one or two lines operated. If any dies needed changing, managers had to call in die setters and pay them a full days wages at premium rates. If a supervisor instructed press operators to do the work and the next diesetter on the overtime list filed a grievance, the company had to pay the latter "armchair money."

In some plants, job ownership within classifications-- which ties workers to one machine--increases staffing in the same manner as classifications. The extent of job ownership at Budd varied by department. In the stamping areas, except for draw press operators, machine ownership

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shop.) As late as 1984, there had been 13 crane operators and hook-up men as opposed to the seven in 1986. In mid-1986, there were a total of four crane operators and three hook up workers on three shifts.

<sup>245</sup> It was not clear whether Detroit management had more rights in this area than historically the case at the plant.

<sup>246</sup> In addition, trainee die-setters now worked with one other die-setter on two-person jobs. In the past, trainees accompanied two die-setters to help them perform such jobs.

never evolved, in part because of Budd's more varied product line. Management always retained the right to reassign workers if their line suffered downtime or required its dies to be changed. In assembly, more extensive ownership rights evolved. Even here, Detroit managers had some rights to reassign workers if their line went down, especially within departments that included three or four lines. At Kitchener, managers could reassign workers for up to 4 days in the case of breakdowns and emergencies.

In assembly or major component plants, managers often complain that considerable workforce "churning" results from the interaction of narrow classifications and job ownership with seniority-based overtime allocation and layoff rules. Such provisions may erode performance by leading to the weekend assignment or more permanent transfer of employees to a job that they do not know. At Budd, the lack of ownership tying individual workers to particular presses or assembly jobs limited the extent to which bumping by seniority employees into to a new department triggered a chain reaction of other job movements. Nonetheless, limits on temporary reassignment does lead to problems, according to the Kitchener production manager,

...Where we'd like to...reassign [a group] to another assembly unit that does have work, we can't do it [for more than four days], we have to lay [them] off and they go wherever their seniority takes them...and they kind of interrupt the cohesiveness of a bunch of work groups. And

then we have to recall to this other, new pay point, and those people come from all over the place. Whereas we could take one isolated group and say, "we'd like you to work here for a month or 6 weeks because we need the business there."

At Detroit, voluntary overtime provisions also created difficulties for management in operating lines over 40 hours. In response to this restriction, management at Detroit increasingly negotiated with the union for exemptions from this restriction for particular assembly lines. In the press shop, the plant also negotiated a letter of understanding that entitled it to use part-time "weekend warriors" to supplement regular workers on overtime. Temporary workers also supplemented the regular workforce during the summer when workers were on vacation. Temporary and weekend workers could only be used as long as no permanent workers with recall rights remained on layoff.<sup>247</sup>

In the skilled trades, Budd managers also wanted to combine classifications or eliminate lines of demarcation that prohibit trades workers from performing tasks outside their official job definition. The point, as emphasized by the Kitchener production manager, was not to eliminate the special "expertises" possessed by individual tradesmen. He wanted instead to eliminate the excess staffing associated with narrow classifications and restrictions on crossing lines of demarcation even for incidental maintenance.

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<sup>247</sup> Temporary workers at Detroit pay union dues based on the number of hours they work but do not earn seniority.



It's silly for us to have an electrician have to change a light bulb...If you have an ejector on a die, the sheetmaker has to take the chute off, the die-maker takes the whole ejector off, and the machine repair guy then has to fix the cylinder. It's ridiculous. One man could do all three of those functions very well and very adeptly.

One top Detroit manager estimated that skilled workers only spend 40 percent of their time working. He also said that skilled workers and the union had not been uncooperative and would sometimes take liberties with written rules. This cooperation, however, is at "their whim." As a result,

...a supervisor, if he tries to be a little domineering, then all of those rules we have ignored will bite him in the ass. The steward follows up and writes 1000 grievances.

At Kitchener, as with production workers, classifications and lines of demarcation caused more problems in the skilled trades on weekends, when demands for different classifications were even more unpredictable. Managers periodically faced the choice of calling a trade in for less than eight hours work or asking another trade to work out of classification and risk paying armchair money. The production manager explained that separate classifications

...don't become a big problem usually during the week...[Skilled workers] don't mind too much during the week a little bit of infringement on their classifications, but don't ever do it on a Saturday or a Sunday on overtime. Because then you owe the who's trade it was armchair money.

Management has made only limited headway at both plants in efforts to combine skilled classifications. At Detroit, the union had agreed to eliminate riggers through attrition and to incorporate their responsibilities into the millwright classification. The union also agreed to consolidate the three machine classifications in the Detroit truck garage.<sup>248</sup>

The Kitchener production manager described his ideal vision in terms of classifications.

The vision would be maybe a production worker and a trades worker. I don't see us ever getting there. Better than that would be only one. I just got back from Japan where they don't have such things as classifications. They have complete flexibility to move people around.<sup>249</sup>

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<sup>248</sup> At two Big Three engine plants visited for an earlier study, managers also maintained that narrow skilled classifications unnecessarily prolong downtime. When breakdowns occur, these managers explained that it takes time to determine which trade should do the work and then more time to find a worker in that trade available to do the job. Downtime received little mention at Budd. One reason at Kitchener may be the difficulty of distinguishing machine breakdowns from worker-induced downtime. Parts of Kitchener and Detroit, in addition, were operating below capacity in 1986. Thus, if machine utilization fell, the company could schedule more overtime.

<sup>249</sup> Edward G. Budd's comments on the establishment of four-year Budd apprenticeship programs for machinists, pattern makers, electricians and other skilled tradesmen illustrates how dramatically managerial thinking has changed since the 1920s. In Budd's first decade and a half, promising employees were trained for senior jobs in manufacturing by rotating through several departments. Sounding very much like a high seniority 1980s skilled worker, Budd said that this gave them an overview of operations, "but no specific strong grounding in any of them. Such programs lack the depth required to produce good workers or good managers, [Budd] believed. 'It is a matter of years before one of us can become skillful in a single art,' he wrote in [the Buddette company newspaper], 'and a smattering is more dangerous than no information at all...'. A worker with a smattering of knowledge and skill

The company's recent agreement to reinvest in the Philadelphia plant moves towards this vision. The agreement includes only nine classifications: two production worker classifications--technician and quality control; four basic skilled trades--electrician, tool maker, pipefitter, and millwright; and three specialized skilled classifications that will have little influence on total staffing--carpenter, power house mechanic, and industrial truck repair. Five concrete examples appended to the agreement illustrate current practices and practices to be followed in the new facility with regard to crossing classification boundaries. These examples establish the following principles: electricians can do work in any of the trades; the mechanical trades may do work in each others' classifications; and technicians can perform all non-trades jobs, including quality, as well as incidental maintenance. According to Wangbichler, the agreement "centers around the team concept and it essentially is a NUMMI, Jefferson Avenue-Chrysler type of agreement...that reflects what we would like future agreements to be."

At Budd-Detroit, the 1988 contract included a letter of understanding which pledged union and management to support "pilot teams". The first two such teams were created among die transition workers from the two production shifts. Eighteen workers from a range of

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would 'produced poor products at high cost...'" (quoted in Courtenay 1987, 24-25).

different classifications were included in teams that operated by mid-1988 without any first-line supervision.<sup>250</sup>

In November 1988, both parties were discussing the possibility of trying pilot teams among production workers generally. Budd's Shelbyville plant will also operate with semi-autonomous teams.

Top managers at both plants argued that broader job classifications and managerial rights to deploy workers would make it easier to provide job security. According to a top plant manager, narrow classifications prohibit the company from finding alternative employment for workers when demand for their specialty declines.

Sometimes we don't have the flexibility to move manpower, we're forced to lay off...If we had some flexibility in moving people around, we could find things for them to do, but because of the ownership provisions in the contract, and the seniority provisions, we can't do some of the things we'd like to do. Sometimes, their own contract hurts the individual.

(ii) Outside Contracting

Another way of avoiding the limitations imposed by skilled classifications and work rules is through the use of outside contracting. Outside contracting has always been used to supplement the Budd trades workforce on special construction projects. Local resistance to the use of outside trades workers and contract clauses requiring

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<sup>250</sup> Earlier in the 1980s, both Detroit and Kitchener had trimmed supervisory staff by eliminating the Assistant General Foreman position. Budd-Detroit also eliminated the Assistant Superintendent position.

consultation with the union before bringing in outside trades workers restricted their use in the past. In 1986, union officials at Detroit argued that management had recently resorted to the use of outside trades more often and without notifying the union. By failing to make up for attrition, a skilled steward argued, management had also been able to increase the ratio of outside to inside trades.<sup>251</sup> In his view, this kept to the letter but violated the spirit of the agreement to keep as much work as possible in-house.

(iii) Bell-to-Bell and Relief Time

Management also sought to increase worker utilization through more direct attempts to increase the fraction of paid time employees spend working. At Kitchener, this goal took the form of a "bell-to-bell" campaign. Management wanted workers to begin production promptly after the bell at the start of the day, not to leave early or return late from breaks, and not to leave early at the end of the day. Any extra pieces that are produced as a result incur only variable labor and material costs, not fixed capital and benefit costs.<sup>252</sup> For workers' at Kitchener, earnings are the primary incentive. Complying with management's request to work hard until the final bell did not interfere with

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<sup>251</sup> Attrition was quite high in 1986 because of frequent quits by newly-apprenticed trades to work for better wages (and with new technology) at GM's Poletown plant.

<sup>252</sup> This explains why managers sometimes as much as double the piece rate for parts over specified target levels.

the basic effort regulation process. In a related initiative that grew out of the "bell-to-bell" campaign at Kitchener, management also attempted to cut back on a customary, non-contractual, personal relief time enjoyed by production workers at the plant. As described in detail below, in 1986, this prompted the first sitdown in several years.

At Detroit, strictly enforcing bell-to-bell at the end of the shift would, in contrast to Kitchener, interfere with the primary incentive for working hard--the chance to rest at the end of the day. It could result in a substantial drop in output. It could also eliminate the willingness direct production workers sometimes showed to perform off-line jobs.<sup>253</sup> To do this successfully without reducing output require complementary changes in operating practices, technology and labor relations: for example, the adoption of machine pacing, just-in-time inventory, close human or electronic supervision, or convincing workers that raising production will help safeguard their jobs. While management at Detroit had not tried to enforce bell-to-bell, it had made some effort to reduce the customary time workers have off at the close of a shift. Budd-Detroit managers also attempted to cut back on returning late from breaks by introducing a "two-bell"

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<sup>253</sup> Some self-paced parts of Ford and GM plants that formerly operated under quota systems have reportedly made a transition to "bell-to-bell" in the last several years (Thomas 1986; personal communication with Dan Luria).

system. The first bell goes off 2 minutes before the end of the break so that workers who need to walk back from cafeterias or other work areas begin at that point.

At Kitchener, another aspect of work force utilization concerns incentive production levels. Managers at Kitchener believed that workers on the less demanding jobs in the plant today should be working more consistently and without interruptions for downtime to earn their high wages. When jobs were very physically demanding, the high effort levels produced by incentive rates made wages above pattern affordable. While many jobs at Kitchener (and Philadelphia) have now become less physically demanding, in the company's view, incentive employees continue to earn at or above Big Three levels. The Kitchener production manager explained:

If you let somebody work at...only half-pace for any length of time, it's almost impossible to go out and say, "I can make this piece of equipment run faster, you're still not working at an incentive pace although we are paying incentive wages. We want to speed this piece of equipment up." We haven't been successful in convincing our workforce that they should make more for basically the same money...

In the future, especially at Kitchener, technology may play an important role in the revision or abandonment of quotas and the incentive system in favor of measured day work. As Wangbichler sees it,

The only hope for Kitchener...is to continue on their path of automating out the person as the control point and effectively take technology and wipe out the incentive system.

Three technologies experimented with to date at Kitchener reduce operator control of the pace by placing limits on the speed at which operators can work. Managers see these technologies as ways of limiting workers' ability to manipulate downtime to maximize earnings and of improving quality by checking workers' tendency to produce at breakneck speed when not on downtime. "Lockout" systems tried at Kitchener shut all machines down in a line when any one operation suffers downtime. This system was "ill-received" according to the production manager. It also slowed down production because it is "impossible to balance every operation": without providing management with the consistent effort associated with machine pacing, it prevented slower operations from catching up when faster operations suffered downtime.

In the Kitchener press shop in mid-1986, management was turning instead to the "machine control" referred to by Wangbichler. Machine control increases the cycle time of the pay point press to slow pay point operators down below their maximum rate. This limits workers' ability to manipulate downtime to maximize earnings but preserves some autonomy for operators over control of their own pace.<sup>254</sup> In the assembly area at Kitchener, managers have experimented with seam welding equipment somewhat analogous to machine control. Once activated, the equipment welds

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<sup>254</sup> Although one interviewee claimed that workers know how to reduce the cycle time and speed up the pay point press.



for at least a set minimum amount of time. Managers hoped this would stop workers from jeopardizing quality by passing too quickly over long welds. Kitchener workers responded by welding as before and then holding the gun at their side while it finished its cycle. As well as doing nothing to improve the quality of the weld, this rapidly wore the weld tip guns.<sup>255</sup>

#### B. Employee Relations/Human Resource Management Policies

The possibility that managerial efforts to gain flexibility might trigger individual or collective resistance makes complementary employment relations policies designed to discourage resistance and encourage cooperation critical. Budd managers employed a variety of approaches to solicit worker input, to persuade employees

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<sup>255</sup> The focus on workforce utilization observed at Budd echoes recent events in Big Three plants and the British auto industry. Luria reported that management had four priorities at the numerous GM, Ford, and Chrysler plants he visited between 1985 and early 1987; bell-to-bell; cutting indirect labor on the production side; getting production workers to perform minor maintenance; and weakening job ownership and overtime equalization provisions that led to extensive bumping on weekends and when layoffs or new hiring occurs (personal communication). Raising workforce utilization dominated management thinking at the U.S. and Canadian engine plants visited for an earlier study (Shaiken with Herzenberg 1987). In Britain, changes in working practices fall into four main categories: increasing labor flexibility by broadening classifications or enforcing previously unenforced agreements; having production workers do their own inspection; "tighter discipline and work standards, for example through stricter adherence to relaxation times and meal breaks..."; and speed up, through increasing the pace of the line or through multi-machine staffing (Marsden et al. 1984, 99-107).

that contributing their knowledge is in their interest and to prevent a backlash against efforts to raise worker utilization.

Corporate communication efforts and problem-solving training programs emphasize the economic pressure faced by the company and the importance of competitiveness to job security. Shop floor small group activities--statistical process control, employee involvement and die transition committees (and now, at Detroit, teams)--solicit worker knowledge often ignored in the past.<sup>256</sup> These activities--and some of the training and travel benefits that come with them--also aim to convince workers of the company's concern for them, to create opportunities for workers to gain recognition for helping the company, and, ultimately, to solidify the support of a core of influential workers for managerial goals. Top management and a new Budd training institute encourage supervisors to adopt a less autocratic approach to avoid provoking workers to withhold their cooperation. When other approaches fail to curb absenteeism, lateness and other individual behavior which erodes performance, supervisors still rely on firm supervision and formal discipline. Finally, in the last few years, Budd managers have made increasing efforts to gain the support of union officials for their shop floor strategies.

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<sup>256</sup> The phrase "small group activities" is a useful umbrella term introduced by Cole 1985.

(i) Communication Programs

Compared to two Big Three engine plants studied in 1984, Budd management in 1986 provided its workers with limited information on their plants' competitive position. Kitchener workers received a ten-minute safety talk from supervisors every month which some foremen expand into a half hour area information meeting. Detroit workers had no regular, formal meetings with supervisors. Workers at both plants said that the competitiveness theme comes up only sporadically, often close to contract time. A private consultant told the company in late 1984 that workers "learn more about Budd from outside sources than from the company."

The reason for limited communication of the competitive situation was not that Budd regarded such communication as unimportant. The production manager at Kitchener emphasized, for example:

The major difficulty we have facing us today as a plant is to get ourself in a competitive position for the 90's, 91's in terms of quality and cost, and to convince our workforce that this is their company not mine, not Bob's (the plant manager), not the President's and to get more efficient is not a bad thing. But they tend to look at it as squeezing somewhat. That we're just trying to squeeze an ounce more out of them than they're willing to give.

Later he added:

From a people standpoint, the major problem is getting the entire workforce to trust the management team. That we do have their interest,

and our interest, in common--they're one, they're not separate goals...

The lack of emphasis on competition and working together may be a reflection of the point Budd had reached on a learning curve in 1986. Budd's new labor programs began after those of Ford and General Motors. At that point, managers had experienced considerable frustration and bewilderment at workers' "lack of understanding" of the need to combine classifications, cut back on relief time and change other work practices in order to survive. That led them to recognize that workers do not automatically accept the firm's perspective and must be persuaded to do so. According to Wangbichler,

I see six [power] centers that...control much of the...future of this company...There is, at a very high level within the corporation and at a very high level within the division and at a very high level within the plants, probably a decent understanding of the needs we have from a competitive viewpoint...The same can be said for the union side of it at the very high levels within the international, at the region and, I suspect, at the locals...It dissipates very quickly below that very top level...We've got a real problem...distributing the message...in a way that people ...[don't] just go along with it, but become an active force in the kinds of changes that we honestly believe are required.

From a historical perspective, Budd, like other auto firms, has progressed from a stage in the 1930s and 1940s when management tried to intimidate union officials and workers; to the 1960s, when it began to recognize the value of more regular communication of the corporate perspective to union

officials; to the 1980s, when it increasingly believed the same approach should be pursued with hourly workers.

In early 1987, Wangbichler said that communicating the competitiveness/job security and common interest themes would be a priority in the future. A letter had just gone out from McNeal, the CEO to workers in the plants talking about the transplant challenge and the need to work together to survive in metal stamping:

By 1990, with the new Japanese plants being built, there will be an additional two million more units of unused capacity...Someone's ox is going to get gored and it probably will be GM, Ford, and Chrysler, our principal customers. Well, one could say, just work harder at selling Budd's products to the Japanese car makers. Not so easy, because they bring in about 50 percent of their own parts from Japan and are also bringing in their own suppliers from Japan. In many of the newer plants...new stamping plants on site are an integral part of their plans.

It will be a market where there is too much capacity and that spells more plant shutdowns and human hardship...There will be a place for the strong and we can survive if we all pull together...In order to survive, we must learn how to work smarter, to do things right the first time, but most of all work together as a team. By doing this, we will reduce our costs and thus allow all of us to survive and prosper in the years ahead.

In 1987, the President of the Stamping and Framing Division, Jim Roth, made a 20-minute videotape explaining changes required to win additional Big Three business. He then journeyed to Philadelphia and Detroit showing the video to all hourly employees in groups of 100 and answering questions for 40 minutes after the video was shown. Cognizant of the difference in the national union's

attitude towards cooperation and work rule changes, he did not show the videotape at Kitchener.

(ii) Small Group Activities

As in the Big Three, shop floor small group activities at Budd have a dual origin. Employee Involvement (EI) began at Budd as an attempt to improve the shop floor labor climate by giving workers a chance in small, problem-solving groups to examine work environment or operating problems which concerned them on the job every day. Initially, gains to the company were expected to be achieved indirectly, through a reduction in worker-supervisor antagonism, rather than through direct resolution of productivity and quality problems.<sup>257</sup>

The second origin of small group activities, especially statistical process control and die transition committees, was as an element of management efforts to more directly integrate workers into efforts to improve performance.<sup>258</sup> From management's perspective, small

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<sup>257</sup> By early 1987, in the four years since it began, the Kitchener EI program had expanded to 14 groups and about 130-140 workers. The Detroit program included 28 groups and over 200 workers.

<sup>258</sup> One manager described SPC as "EI with tools and goals." Under pressure from their customers, both Kitchener and Detroit started SPC programs in 1984 explicitly to address process and quality issues. Formally, SPC is a management rather than union-management program. By 1987, only four groups existed at Detroit, where the local union feared that the program might eliminate jobs. At Kitchener, the program initially had the tacit support of the local union, and the plant had eight groups by late 1987. Most groups contained 10 to 12 members, including a foreman, engineer, quality control inspector, several skilled tradesmen and

problem-solving groups are tools for soliciting employee ideas about how to improve plant performance. They are also vehicles for increasing workers' understanding of their plant's economic position. As in the case of work rule modification, the management vision here is teams. In Wangbichler's view, EI and SPC groups are "stepping stones to a more fully participative team system." Team systems, in principle, make contribution of workers' knowledge to improve plant competitiveness a matter of course, rather than something that they engage in once a week for an hour. Wangbichler explained, "if you move to autonomous teams, the need for EI groups pretty well disappears because you have problem-solving groups that are functioning throughout the plant."

A related goal of small group activities and associated training is to create support for cooperation with the company among influential shop floor workers. This motivation contributed to Kitchener management's decisions in 1985 to begin training four hourly workers at a time in a rotating, three-month, statistical methods program. The same motivation contributed to the decision to appoint two early graduates of the program as hourly SPC facilitators to assist with future training and other SPC activities. The 3-month program trains workers from throughout the plant, four at a time.

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several operators. They met once a week for an hour and a half. Budd established die transition committees at Kitchener and Detroit in 1983.

(iii) Supervisory Approach

An attempt to change the approach of its production supervisors comprises another aspect of the company's labor relations strategy. In the past two decades, Budd supervisors, especially at Kitchener, sought to intimidate workers into working hard. Upper management policy reinforced (and continues to reinforce) an autocratic approach in various ways: the removal of responsibility for resolving grievances to the labor relations department and thus restricts the scope for worker-supervisor deal-making; top production managers pressured first-line supervisors to achieve production quantity goals without using more than the budgetted amount of labor; higher-level managers also periodically enlisted foreman in stepped-up monitoring of hourly workers to curb tardiness, stop the reading of newspapers on the job, etc. In disputes generally, supervisors bore the brunt of workers' anger, perpetuating vicious circles which reinforced "hard-line" tendencies on both sides. In the 1980s, Budd managers wanted supervisors to pursue a less antagonistic approach. They believed that supervisory actions often undermined attempts to foster cooperation in formal programs and informally on the job.

Two basic approaches had been used to encourage "more participative" supervision. At Kitchener, management reassigned several supervisors with a history of bitterly



hostile relations with workers. Corporate management had also provided participative management training for supervisors. Initially, middle and upper management received the lion's share of special training. In the second half of the 1980s, however, the corporate Employee Development manager created the Budd Institute to provide supervisors throughout the corporation with a one-week training course in participative management. While being encouraged to be less autocratic, supervisors continued to be responsible for using firm supervision and formal discipline to establish what kinds of individual behavior are unacceptable to the company. More than in the past, supervisors were expected to communicate why discipline is necessary to help maintain competitiveness and to preserve jobs.

#### iv. Union-Management Relations

To help its plants remain competitive, managers would like local union officials to agree to contractual changes that increase managerial flexibility to deploy labor; to help the company to change customs that erode performance; to accept the focussing of problem-solving groups on productivity and quality problems; and to persuade the workforce of the need to contribute their ideas and physical effort in formal programs and informally on-the-job.

Two approaches have been used to achieve the support of union officials for company goals. First, management has sought to persuade the union of the need to adopt management's program to safeguard jobs. Second, it has used its control over investment to try and induce cooperation from union officials. Management attempts to persuade union officials of the need to modify work practices and foster small group problem-solving to improve performance take place in training programs, meetings, social contact, and information sharing. In 1980, such efforts at persuasion included taking two Detroit union leaders and two hourly workers on a three-week trip to Japan. In the mid-1980s, the 20 members of the joint Detroit EI steering committee spent two days at a retreat away from the plant.<sup>259</sup> At Kitchener, the plant manager and two corporate managers spent a week in December 1986 with the local president at a Philip Crosby training course that emphasized the importance to plant survival of having direct production workers "build quality in." In November 1986, as part of an effort to get a newly-elected plant chairman to take a less skeptical look at EI, the Kitchener Labor Relations manager decided to displace another manager and join the chairman at a week-long EI training program

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<sup>259</sup> The benefits of this for management were diluted by a perception among some union officials that spouses had not been invited for racial reasons. Racial tension creates problems for management as it tries to get the union on board as well as for labor as it attempts to overcome workforce divisions.

(even though the labor relations manager had already attended the course once).<sup>260</sup>

At Philadelphia, the prospect of new investment was used as a carrot in negotiating the Phoenix agreement. Wangbichler anticipated similar efforts to use investment or the prospect of new Big Three business as leverage in the future.

We get work periodically from Chrysler or General Motors. Currently, we're into the prospecting of some work for the new Jefferson Avenue plant. Hopefully that will offer an opportunity [at the Detroit plant]...I'm convinced we need some form of leverage to bargain our way into change.

Production at the new plant in Kentucky puts more pressure on the company's older facilities by shrinking the pool of businesses for which they compete with each other. The precedent set by the Phoenix agreement also increases the pressure on Detroit and on the rest of the Philadelphia facility.

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<sup>260</sup> At Big Three plants, there is evidence that management has used the expansion of joint activities and appointed union positions as an inducement to cooperation for individual union officials (see chapter 13). Some joint positions also provide training that might allow union officials to step into professional employee relations jobs more easily than in the past. At Detroit and Kitchener, the number of joint positions remains fairly small: one EI facilitator at Detroit and an EI facilitator and two SPC facilitators at Kitchener. As noted above, the decision to appoint SPC facilitators at Kitchener was motivated, in part, by a desire to find hourly "champions of the process" among the influential plant leadership. One of the facilitators chosen was a former plant chairman.

### C. Plant Performance

Productivity and quality at Budd-Kitchener both improved in the first two-thirds of the 1980s. Detroit had a more mixed record in the same period, especially concerning quality.

In 1987, one top corporate manager called Kitchener "as effective an operation as we have today." In late 1988, another reported that Kitchener had the highest performance in the division as measured by productivity (roughly output per labor hour), die transition time, press utilization, rejects, scrap and customer charge-backs (parts returned for being of unacceptable quality). In the late 1970s, by contrast, Kitchener had the worst productivity record in Budd's Stamping and Framing Divisions. Each of Kitchener's major customers had recently recognized the plant for improving its quality. General Motors had raised Kitchener from the bottom of its three quality rankings to the middle. The plant scored high enough to earn Ford's top rating for suppliers in early 1987.<sup>261</sup> In mid-1986, Chrysler sent a letter thanking Kitchener for shipping three consecutive months of defect-free parts. In the truck assembly area where the superintendent was most supportive of SPC, the defect rate dropped from 12 percent to seven percent between 1985 and 1986. Die transition time fell from 14 hours in 1983 to

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<sup>261</sup> It was denied a top rating at that time because it had not implemented Taguchi "design-of-experiment" methods to isolate the source of quality problems on its Ford jobs.

seven hours in 1985 and to five hours in 1986. Kitchener managers say the press capacity made available as a result of these improvements enabled Budd to bid for a new "C-body" contract.<sup>262</sup>

Detroit had also enjoyed substantial improvement in die transition time. In the first three years after the establishment of a die transition committee, die transition time fell from 20 to 10 hours. After the committee gave way in 1988 to a die transition team on each production shift, die transition fell from 10 to just over seven hours in six months.

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<sup>262</sup> The first die transition committee at Kitchener included only supervisors and other managers. It reduced average transition time by about an hour. More substantial improvements followed after the committee added four hourly workers--a die-setter, a tool-room attendant, machinist, and quality assurance inspector. Some of these improvements resulted from purchases of new equipment.

CHAPTER 10. PATTERNS OF SHOP FLOOR RELATIONS IN THE 1980s

This chapter explores how managerial attempts to transform labor relations played out on the shop floor at Budd's Detroit and Kitchener plants in the mid-1980s. After a brief methodological detour, the chapter characterizes patterns of shop floor relations, effort bargaining and the social structure of each plant in 1986. The chapter then explores the interdependence between patterns of shop floor relations, the extent and outcome of conflict over working conditions, and workers' links with and perceptions of the local union.

A. Methodology

Patterns of shop floor relations and the social structure at each plant were characterized based on one- to six-hour open-ended interviews in summer 1986 with at least 10 managers, 10 union officials and 35 workers. Follow-up interviews were conducted in November 1988 with critical informants at each plant in January/February 1987 and November 1988. Interviews were conducted one-on-one in offices off the shop floor. All but a few of the interviews were taped and then transcribed. In each plant, most workers interviewed came from three different areas. At Kitchener, they came from either the stamping lines under one supervisor and from two different assembly areas. The supervisor of the stamping area had a reputation for

being highly participative. The general foreman of one of the assembly areas was known for having a traditional, autocratic style. The third area used SPC the most extensively. At Detroit, one group of workers also came from the press shop. Half of these usually worked on one of two adjacent lines under one supervisor. The rest came from an assembly area with about 60 workers and a reputation for unusually adversarial relations; or from the central maintenance staff. All but a small number of hourly interviews at each plant were conducted on the first shift.<sup>263</sup>

The focus on particular areas at each plant enabled repeated discussion of the same events from the perspective of different workers. Interviewees were picked based on suggestions of supervisors, other workers, EI facilitators and union officials. No one party suggested more than a small fraction of the workers interviewed.<sup>264</sup> An effort was made to include individuals that varied on two other dimensions thought likely to be important: participation in EI and SPC programs<sup>265</sup>; and demographic characteristics. At Detroit, these last included, age, race and sex; at

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<sup>263</sup> At Kitchener, since workers and their supervisors rotated shifts every two weeks, this should not have introduced any systematic bias in the findings. At Detroit, which has seniority-based fixed shifts, the focus on the first shift may have been significant.

<sup>264</sup> With the exception of the Detroit press shop, supervisors did not appear to be making a conscious effort to select individuals who would speak well of them or the company.

<sup>265</sup> Many of the EI participants at each plant were deliberately drawn from the same two or three groups.

Kitchener, they included, age, ethnicity and, to a small extent, race.<sup>266</sup> As hypotheses about the shop floor social structure emerged, additional interviewees were selected to amplify those hypotheses. For example, following discovery of the significance of informal leaders at Kitchener, I made a deliberate effort to identify other informal leaders with whom to talk, increasing the final pool to about 10 or 12. With the exception of the Central Maintenance group at Detroit, most interviews were conducted with direct production workers. A small number of additional skilled workers and one or two members of indirect production classifications were interviewed for comparative purposes and to assess occupational views of work reorganization (see Appendix A for a profile of those interviewed). Hypotheses about skilled and indirect production workers below are necessarily more provisional given the number of interviews conducted with these groups.

Separate interview guides were developed for hourly workers, supervisors and shop stewards.<sup>267</sup> Interviews all began with a series of demographic, occupational, and personal background questions. These were followed with

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<sup>266</sup> Table 10.1 provides an age profile of the two plants. The plant Employee Relations Manager at Detroit in 1986 estimated that blacks accounted for 60 percent of the hourly workforce. They accounted for only a small percentage of skilled workers. Women held less than 20 percent of the hourly jobs in the plant. Kitchener employed almost no female production workers and a small number of blacks.

<sup>267</sup> Appendix E contains the hourly worker interview guide. The other guides are available from the author on request.



**TABLE 10.1**  
**SENIORITY PROFILE OF KITCHENER AND DETROIT WORKFORCES**

| (a) Budd-Detroit |              |                           | (b) Budd-Kitchener |              |                           |
|------------------|--------------|---------------------------|--------------------|--------------|---------------------------|
| Time Period      | Number Hired | Percent of 1986 Workforce | Time Period        | Number Hired | Percent of 1986 Workforce |
| Pre-1955         | 161          | 13.0                      | Pre-1968           | 272          | 18.5                      |
| 1964-66          | 189          | 15.2                      | 1970-73            | 641          | 43.6                      |
| 1968-70          | 149          | 12.0                      | 1974-77            | 271          | 18.4                      |
| 1972-74          | 204          | 16.4                      | 1983-86            | 266          | 18.1                      |
| 1975-77          | 233          | 18.8                      | Other              | 20           | 1.4                       |
| 1985-86          | 239          | 19.3                      |                    |              |                           |
| Other            | 66           | 5.3                       |                    |              |                           |

Source:  
Company records.

deliberately general questions intended to solicit views of life on the shop floor without imposing a particular set of analytical categories on the discussion. In interviews with hourly workers, these general questions began with, "what do you like most/like least about your job?" As in previous studies in which I had participated, this proved an effective way of getting interviewees to tell "their story"--to describe how they think about the interactions among workers, supervisors and union officials in a time of rapid change in work organization and labor relations (Piore 1979a). The number of parties and perspectives involved make understanding shop floor dynamics in the 1980s auto industry more difficult than in the contexts where Piore (1979a) and Wial (1987) have applied qualitative methods. When Piore sought to understand the labor market perspective of immigrants, or Wial sought to elaborate the "model" of the labor market held by young men in working class neighborhoods, they took the perceptions of those they interviewed as a "description of reality" (Piore 1979a). On the shop floor at Budd, individual workers, managers and union officials described instead their particular perception of that reality. The challenge for the researcher is to describe the interactions among groups in ways that make for a consistent whole. This challenge is made more difficult by the fact that labor relations and many of these workers "models" of the shop floor are themselves in flux.

The critical advantage of unstructured interviews is that, unlike surveys and neoclassical models, they do not impose a model of the world on the situation studied. As a result they lead to the generation of new hypotheses and the modification of existing ones impossible with more structured, survey-oriented approaches. One example of the generation of a hypothesis through the use of open-ended interviews comes from Budd-Detroit. Entering the plant, I had never heard of "the wheel" section of the plant. When interviewed, workers who had worked in the truck wheel repeatedly answered general questions such as "what do you like about your job?" or "have your relations with the supervisor changed at all recently?" with extended descriptions of shop floor relations in the wheel and how these compared favorably to current conditions. Workers clearly regarded the wheel as their "model" or standard of a good place to work. This led to the hypothesis that an "organizational pattern" of shop floor relations existed in the truck wheel until it left the plant in 1983. It also led to efforts to elaborate this hypothesis and understand the particular historical dynamics of the wheel with managers and union officials who had been in the plant since at least the 1960s.

An example of the modification of a hypothesis concerned the role of informal leaders at Budd Detroit. This example demonstrates that careful open-ended interviews do not simply confirm the original hypotheses of

the interviewer. At the beginning of the Detroit field research, the visible role of informal leaders at Kitchener produced the hypothesis that informal leaders would exist and play a similar role at the Detroit plant. Persistent rephrasings of questions in an effort to get workers to talk openly about "outspoken" workers at Detroit met without success.<sup>268</sup> This failure forced recognition of the dependence of shop floor leaders' prominence on the frequency and visibility of collective protest. It also led to elaboration of the existence of individualistic as well as collective patterns of shop floor relations at Detroit.

Using open-ended interviews to characterize the shop floor social structure makes it impossible to estimate the quantitative significance of different categories of workers. By the same token, lengthy open-ended interviews are very different and much more valuable than individual face-to-face structured surveys. This is true not only because open-ended interviews do not impose a model on the interviews. It is also true because the interviewer does not simply characterize 35 individual sets of preferences and then simply weigh them equally to come up with a

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<sup>268</sup> The phrasings used included the question that worked best at Kitchener--"do some workers talk to the steward more than others?" as well as "Are some workers more outspoken than others?" "Do some workers have more contact with supervisors than others?" "Do some workers file grievances more than others?" "Do some workers speak to the steward or supervisor occasionally on behalf of less confident workers?"

majority and set of minority perspectives. More than an individual data point, the interviewee is being used as an amateur sociologist who characterizes shop floor dynamics generally as well as expressing their own preferences. This makes it possible to develop hypotheses about the existence of particular worldviews even when only one or two of those interviewed appear to have that perspective themselves. It also means that that some informants are much more valuable than others because they have more nuanced and less "self-centered" views of what takes place.

#### B. Shop Floor Dynamics at Budd-Detroit

Understanding contemporary shop floor dynamics proved more difficult at Budd-Detroit than at Budd-Kitchener. A less militant recent history, the depressed local economy, and subtle divisions among workers appeared to have driven shop-floor conflict among production workers "underground." Black Detroit workers seemed particularly closed in their responses to an unknown white outsider.<sup>269</sup> While still a simplified account for reasons of space and clarity, the following tries to preserve enough of the ambiguity of the

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<sup>269</sup> For example, on being asked if there were any nicknames for prominent categories of shop floor workers, a smile of recognition often crossed Detroit workers' faces. The workers would then deny knowing any nicknames. At Kitchener, it took only a few interviews to discover a range of colorful labels. Since nicknames are often a key to discovering the categories workers use to understand their social situation, this particular manifestation of black workers' caution made my job much harder.

empirical evidence to allow readers to draw their own conclusions.

i. Patterns of Shop Floor Relations

Collective and militant individualistic patterns of shop floor relations coexisted among press operators and assembly welders at the Detroit plant in 1986. It appeared that the organizational pattern--in which workers, stewards and worker-allied supervisors have substantial influence over not only effort levels but also manpower and production scheduling, the way jobs are performed, responses to unanticipated problems etc.--characteristic of much of the plant decades earlier had vanished. Interviews corroborated the hypothesis that an individualistic pattern is probably more prevalent now than in the past. Workers and supervisors in the press shop and assembly maintain that people "make out" less often than in the past. According to one assembly area general foreman,

In the old days,...the standard was very slack...We were building the jeep body for the government and at 12'o'clock I was through (the shift ended at 3 at that time)...The standards were more loose than they are now. They still have some jobs...[that]...without any mechanical problems, you can get through an hour, an hour and a half early. But that's constant work.

One press operator said that workers make out only one quarter of the time. Another said that "on many jobs, you

cannot make out." A third said "there's not one line out there making out."270

Workers interviewed claimed that they had little influence on standards.271 Only one press shop worker--a white--acknowledged that coordinated slowdowns still took place when management introduced new parts or attempted to raise standards. One other press shop worker acknowledged that such efforts took place in the past.

They raised production..., we run the standard to what it was before. And that's all they'd get....Then, there's a lot of older guys here...They might get together on the line and say, 'this is what we're going to run.'...Everybody on the line worked together...It just doesn't happen now.

He said that such actions stopped ten or 15 years ago,

I guess because they started getting newer people in and everybody was trying to keep their job...These people had 20, 25, 30 years, so they knew they wasn't going anyplace until they retired.

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270 Other factors in addition to a decline in workforce cohesiveness had contributed to the reduction in time off at the end of the day at Detroit. Automation and the transition to lighter parts probably reduced the importance of the "time-off" incentive to effort levels. Without such an incentive, output probably drops less on easier than more physically demanding jobs. In the press shop, workers and supervisors also said that the presses and "charleys"--retroffitted automatic unloaders that reach into each press and pull out parts by attaching three suction cups to them--broke down more often in 1986 than in the early 1970s. Since 1977, the press shop at Detroit has operated on three shifts, 7 days a week. Unless supervisors compensate for it, downtime early in the day undermines the incentive built into the quota system by making the standard unattainable.

271 One assembly superintendent said that standards are set at Rochester by engineering--"pretty cut and dry."

The white worker who maintained that slowdowns still took place maintained, however, that:

Whenever they raise the limit on it, they'll slow down. Then they'll go ahead and they'll drop it and they'll go back to the old standard. Then they'll start running fast again. It's a game out there.

This worker said that some work group members did not participate in these slowdowns. He estimated that about half of his work group belonged to a "clique" which acted together. Older workers who know the tricks of the trade led this group. "A lot of the old-timers used to be what they called the 'hard core.'...They had their down and outs but they were workers."<sup>272</sup> Workers withheld information from those outside their clique for strategic reasons:

These guys...don't want to give out anything. They figure if they give out something, it's going to be detrimental to them in the long run...A lot of people down there won't talk. They'll show you if you get in with the clique...But if you're not in that group..., they just won't talk to you.

The concern of the "hard core" not to give away trade secrets--especially to a white researcher that may fear is working for management--and excluded workers lack of awareness of subtle collective action help explain the limited open admission of slowdowns.

The door assembly area studied best illustrates the emergence of more individualistic patterns of shop floor

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<sup>272</sup> The phrase "hard core" probably entered the plant when significant numbers of "hard core" unemployed were hired through special federal manpower programs in the 1960s. It appears to have taken on a range of meanings in the plant.



relations (although it also shows that, as long as the plant employs a quota system, this will reinforce collective tendencies). In the assembly area, management had raised the standard from 84 to 91 to 93 in late 1985 after small technological changes that eliminated one job on each line and altered the content of only two others (out of about 20). Disgruntled, especially after the second increase, workers did stop making out for several months. "They raised it two more doors...Everybody really thought they were getting shafted...So everybody just slowed down and worked at a mediocre pace..." After six months of frustration but relatively small losses in production, the line started to make out at the new standard in mid-summer. Interviews and output records suggest that the loss of production stemmed more from widespread individual discontent than from a concerted effort to get the company to reverse its decisions--i.e. the loss of production represented "more of a protest than an attempt to exert bargaining pressure" (Edwards 1986, 24).

When workers finally began to achieve the standard at 93, the the dilution of seniority-based job assignment rules--a common correlate of a more individualistic pattern--played an important role. Official seniority rules in the area gave supervisors considerable flexibility to allocate workers according to the dictates of production in the assembly area. Even when they didn't, some workers

charged, supervisors found ways to circumvent seniority rules.<sup>273</sup> Using their flexibility, supervisors tended to put the "best workers"--often those with moderate seniority that just missed getting bid jobs--on bottleneck jobs. Three workers interviewed felt that they worked a disproportionate amount of time on the toughest bottleneck jobs. One saw himself as critical to getting the line to start making out again in mid-summer and described himself

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273 Fifty-seven workers were assigned to the Detroit door assembly area, where between two and four lines (each employing 17-20 people) usually ran on the floor. Since only two lines ran consistently, only jobs on two lines had been put up for bid. Since nobody had bid on some of the least desirable jobs on even these two lines, if the company ran three lines, supervisors had flexibility to put the least senior half of the workforce where they wanted. If only two lines ran, the most senior workers 34-40 workers had the right to stay on the floor and management would have flexibility in assigning those in this group without bid jobs. Workers maintained that supervisors "bent" formal seniority rules in two ways to give them additional flexibility. First if supervisors only planned to run two lines for the day, a few workers maintained that they sometimes ran three for a few minutes and then sent one line--including some workers with bid jobs--off the floor. (The 1971 and subsequent Local 306 contracts contained a clause that says "After the start of a shift within a department, no employee shall exercise his seniority rights to displace another employee with seniority for part of a day or for overtime"--this may have been intended to give seniority employees an incentive to arrive on time so that they would not lose their bid job for the day (1971 contract, Article VI, Section 4, p. 57).) Second, one worker maintained that supervisors sometimes put two old, high-seniority employees without bid jobs on "lead-off" so that they would volunteer to leave the floor and the supervisors would be left with a more junior group. These senior employees were without bid jobs because their position had been automated within the previous year (and no openings had yet come up on which they wanted to bid--they did not have the right to bid a more junior employee off their bid job).

in terms that recall Lichtenstein's (1988) characterization of the "pushers" in the pre-union period.

Ever see the movie Cool Hand Luke?...You got a group of men...and they've got to dig this ditch...Prison...They start going at it slow...All of a sudden, Paul Newman breaks out and he starts busting...And the guy behind him says, 'what the heck, he's doing it.' Next thing you know, all the people on this side of the street, they're all flying...And the guys on the other side of the street, 'hey, what are they doing? They're going to make us look bad.'...And they start humping...And then it becomes a contest...It just took one guy to start it. Well that's it on the fourth floor. I went up there and I started humping. And this line, the other one, said, 'hey, these guys are done two hours early, what are we doing here still working?' ...So they started. And then a third line started. And it became a contest every day.

The earliest the lines finished with the new quota was two and a half hours early on a ten hour shift.

The worker quoted above, nicknamed "key man" by foremen, conveyed conflicted feelings about his role. He took pride in working hard and finding ways of doing jobs more easily. He felt he shouldered an unfair share of the tougher jobs and muttered at one point, "I don't know why I do this?" He complained that his reputation among supervisors and the pressures supervisors felt to achieve quota made them insensitive when injury--in one case a cracked rib--made it painful to perform the most arduous jobs. Peer pressure apparently failed to stop him from pushing himself to his limit. Some other workers may have benefitted from the informal favoritism practiced by the

foremen with the acquiescence and, some workers claim, assistance of the steward.

The switch to a more individualistic pattern does not always operate in management's favor. In some cases, certainly, fears of job loss or of supervisory retaliation reduce the decline in hourly production which results even when workers know they cannot make out. According to one Detroit worker, shaking his head as he said it, people kept working hard even if they were not going to earn more than a few minutes off at the end of the day. In other cases, however, individuals may impede production in erratic fashion that management cannot distinguish from downtime problems. Workers repeatedly pointed out that it only takes one person on a self-paced line to decide "I'm not going to try." The switch to individualistic patterns may also risk the loss of workers' ideas and cooperation. The possibility of making out leads workers under the collective pattern to search actively for ways of eliminating unnecessary motions. They also perform simple maintenance to prevent minor problems from stopping the line.

ii. The Social Structure of the Shop Floor

This section analyzes Budd-Detroit's social structure through the description of workers with distinct perspectives or "world views." These "ideal types" may not accurately portray any particular individual. Recognizing

the variations in workers' perspectives, however crudely, is important nonetheless. These variations underly the possible divisions and coalitions in the workforce that might emerge as attempts to change labor relations and work organization continue. The success of management and union strategies depends, in significant part, on their gaining the support of some subgroups and anticipating and dealing with potential opposition.<sup>274</sup>

In association with the decline of collective action, union power and alternative job opportunities for semi-skilled workers, the world view of a substantial fraction of Detroit workers is now focused on "individual strategies for survival."<sup>275</sup> A declining proportion of the workforce thinks in terms of protecting other workers; or in terms of the somewhat collective goal of earning time off and enjoying the "social space" that results.

The most identifiable type of world view at Detroit resembled that of what Sabel calls would-be craftsmen (WBCs). These workers had ambitions of gaining more skilled and interesting jobs--including skilled trades positions--both to escape the drudgery of production work and as a way of improving their job security. They tended to have somewhat above average education levels for the

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<sup>274</sup> See Sabel Work and Politics, 81-82. Given the schematic characterization of some of these groups, the phrase "world view" is somewhat misleading. The goal, to reiterate, is only to identify differences in perspective that bear on the future of industrial relations.

<sup>275</sup> Bob Thomas introduced this phrase to me.

plant and to be between 25 to 35-years old, with about 10 years seniority.<sup>276</sup> Often these workers had been layed off for a year or more in the last recession. This experience gave them the greatest fear of permanent job loss. As Sabel (1982, 98) puts it, these workers "...often see themselves as competitors for the jobs that will emerge after the next phase of innovation." Unless they already had an indirect production job--few workers in my sample--or believed they would soon get one, they tended to favor eliminating job classifications or introducing teams. They believed this would improve their job, their promotion opportunities and the plant's competitiveness.

Interviews also revealed the existence of a somewhat more social group with less formal education and less intrinsic interest in skill-acquisition. These workers sought more challenging and secure jobs through whatever channels seemed promising. One of these workers had been a steward and now served as an EI group leader. In other periods, supervisory jobs might have offered a possible channel. Best captured by the nickname "joiners", this group shared would-be craftsmens' favorable views of EI--which offered possible new avenues for advancement.

Although much less visible than at Budd-Kitchener, an older and a younger group of "informal leaders" did

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<sup>276</sup> Thus, these workers were usually part of the cohorts that arrived at the plant around 1973 and 1976.

exist.<sup>277</sup> Both older and younger informal leaders at Budd-Detroit had weaker links with and more critical views of the union than at Kitchener. Several had considered running for steward or been asked to do so in the past by other workers. Protecting other workers came to them naturally and seemed a source of self-esteem. Older floor leaders, sometimes themselves former supervisors, generally felt relations among workers and between supervisors and workers had been better a decade or more ago. Both older and younger natural leaders were open to negotiation but skeptical about the changes management sought in work organization and labor-management relations. For older workers, often first generation immigrants from the south and expecting to retire within ten years, skepticism predominated. For younger informal leaders, the openness predominated. More concerned that the plant might close before they retired and interested in getting jobs off the line, they wanted to make new shop floor participation programs work. Some young, informal leaders had entered employee involvement groups.

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<sup>277</sup> One supervisor asked if some workers were more outspoken than others, spoke in terms virtually identical to those used to describe informal leaders at Kitchener: "You've always seem to got a spokesman for the line. An hourly man that's the spokesman for the line. He'll be the first one banging your ear to give 'em something off on production [i.e. a reduction in the quota to make up for downtime]...Every line's got one..." In the Detroit context, where collective action was generally engineered in very subtle ways, this characterization probably applies to someone who's a cross between an informal leader and a more individualistically-oriented, less widely-respected "whiner".

A fourth category included workers with past absenteeism problems, sometimes because of drug and alcohol use. They appeared the most dispirited in interviews. Sabel uses the term "ghetto workers" to describe this group. Sometimes they were older workers hoping that they, and the plant, could hang on until they reach retirement. Sometimes they were younger workers that saw little future in the plant. Unlike other young workers, while they hoped not to be working on the line in 10 years, they expressed little concrete hope of gaining better jobs in the plant. Workers in other categories, particularly would-be craftsmen, referred to ghetto workers in disparaging ways as workers who "don't care" or who try to do as little as possible (compare this with Sabel 1982, 101.)<sup>278</sup>

A residual category included workers who had accommodated themselves to the existing "opportunity structure" of the plant and sought their fulfillment outside it.<sup>279</sup> These accommodated workers included more high seniority workers--older, first generation black migrants from the south or middle-aged workers of both races. For them, Budd's high wages and the private life it

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<sup>278</sup> Women, especially those concentrated in the miscellaneous parts of the press shop may have represented another distinct group, but I did not interview enough of them to know. Other workers described this area in terms characteristic of a collective pattern: the women there usually finished work with one or two hours remaining in their shift and exerted strong peer pressure on absentee replacements who slowed them down.

<sup>279</sup> The phrase "opportunity structure" is Chinoy's (1955). Sabel's (1982) so-called peasant workers clearly form one component of what I call accommodated workers.



made possible outside the company were the major benefit of working there.

The distinct worker perspectives at Detroit overlapped to some extent with demographic characteristics. "Would-be" craftsmen were more often white.<sup>280</sup> Among direct production workers, informal leaders were more often black. While race and sex did not appear to be sources of daily conflict or overt animosity, when workers perceived unfair treatment, they sometimes expressed resentment against workers in other race, sex or age groups. In the assembly area, in particular, the absence of clear job assignment rules fueled resentments based on race, sex and age in some circumstances. One young black male felt that blacks got all the harder jobs. Moderate seniority white males complained that they got assigned to the hardest jobs such as "lead-off", the first position on the line. They maintained that some low seniority, female blacks get easy jobs. Younger workers maintained that foremen applied

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<sup>280</sup> Several factors may explain their racial composition. First, young blacks appeared more caught than whites between the collective, protective orientation of older informal leaders and the individualistic goals of would-be craftsmen. Second, one labor relations staff member observed suggested that white managers' influence over worker selection for problem-solving and SPC training led to the selection of white workers with whom the managers had stronger social ties. These programs may at least temporarily fuel the individualistic aspirations of would-be craftsmen. Third, generalizing from the small sample of workers interviewed, whites may have slightly more education on average.

different standards to older workers and made others cover for older workers that held up production.<sup>281</sup>

C. Shop Floor Dynamics at Budd-Kitchener in the 1980s

i. Patterns of Shop Floor Relations

The persistence of small and, occasionally, large-scale conflict on a range of issues at Kitchener in the mid-1980s demonstrates the preservation there of collective patterns of relations. Incentive rates remain the most common source of shop-floor conflict. One press shop supervisor explained in May, 1986:

As far as rates go,...it never gets to a wildcat, but there has been a few work slowdowns, stoppages,...[Workers] sat down and said, "We got a problem here, you're not resolving it fast enough,...we want to sit down and talk about it." That's the...system they use...of getting themselves known.

In all three of the production areas from which workers were interviewed in summer 1986, there had recently been a fairly explicit slowdown concluded by a renegotiation of the rate.<sup>282</sup> In a truck frame assembly area (department

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<sup>281</sup> In general, in quota systems and with piece rates, age tensions can arise when old workers find it difficult to keep up.

<sup>282</sup> As is often the case with rate setting, the details in these cases are byzantine. In truck assembly, to take one example, the slowdown was only partly a protest over the rate. Low production also stemmed from frequent downtime (and the frustration that created) during an extended debugging period, exacerbated by frequent change-overs to different variants of the six related models assembled on the line originally (table 8.8 shows the high levels of downtime in 1983 and 1984 in the dept. 122 assembly area). The change in the rate coincided with the construction of a

122), the slowdown lasted a year. In March 1987, workers on press line 5 sat down during a dispute about the incentive rate and about safety. In the course of the dispute, the workers exercised their right to stop work under Canadian health and safety legislation.

In the smaller, press shop work groups, decisions about how many parts to make appeared to be made collectively by all workers. On one press line, for example, workers disagreed about whether to make 4500 or 5000 parts and took a vote. The vote came out 5 in favor of 4500, 3 in favor of 5000 and 1 abstention. The group compromised by producing 5000 parts when on the first shift and 4500 when they rotate to the second shift. In assembly areas with work groups of around 50, smaller fractions of workers may have been involved in conscious slowdowns to prevent rate cuts or pressure the company into rate increases.

Reflecting the emergence of a more stable collective pattern since the late 1970s, bargaining over rates depended less on short-term power considerations in the 1980s. The development of several new understandings between company and union helped stabilize rate bargaining.

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new "pony" truck line for separate assembly of the two variants most different from the other six. In another assembly area, itself divided into three parts, different rates initially prevailed on each part, depending on whether the other two areas were operating. Workers found that making the same number of parts on the same job gave them different earnings on different days (for details on the third slowdown, see the next footnote).

For example, the company began automatically granting workers Prevailing Hourly Rate (PHR) while new jobs were set up. It also paid PHR more readily to encourage workers slowed down by a minor mechanical or materials problem to finish the required parts quickly rather than get frustrated, drag production of the part out over days and tie up presses that could be running other stampings. Variation in earnings during normal runtime had also narrowed. At the high end, management had attempted to establish a new principle which permits it to revise rates down once they rise substantially above 220 percent.<sup>283</sup> On the low end, even the "tighest rates" typically granted

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<sup>283</sup> In 1985, a slowdown resulted when management attempted to implement this principle by cutting a rate by 10 percent when workers on one press shop line were running at about 260 percent of standard. In part because the company needed the parts badly for one of its hot-selling assemblies, the rate cut was subsequently reduced by 44 percent (from 27 to 15 cents per 100 parts--i.e. down to \$7.50 a day when workers run 5000 parts). Some months later the company moved the pay point to a slower operation on the line to reduce workers' ability to bank parts before the pay point and go on downtime (one worker claimed that the company had promised not to do this at the time of the rate cut). This reportedly reduced daily downtime (on the pay point) from about three and half to about two hours and cost workers a little under \$15 (given the 1986 base rate of \$9.64). Shortly after this on the same line, management accused workers of making "air hits"--cycling the press periodically without parts in it to inflate the piece count--and threatened to fire anyone caught doing that. Management then had a limit switch installed after the new pay point which tripped only when a part actually came out of the press. Invoking the language of trust and participation, workers took umbrage at not having been forewarned about the installation of the limit switch and slowed down production. This prompted another discharge threat.

workers at least 180 percent of the base rate. On machine-controlled jobs, union and management agreed that the machine pace should be set to give workers 193 percent of base rate (this leaves open the definition of what machine speed corresponds to 193 percent).<sup>284</sup>

Kitchener retained a low worker-supervisor ratio: each supervisor oversaw about 20-30 workers and had one or two lead hands working under him. Consistent with the regularization of shop-floor conflict, most workers felt that relations with supervisors have improved substantially.<sup>285</sup> For example, in the 1970s, foremen might refuse to let workers go home when employees said they were sick. Workers responded by calling in if they felt at all ill. By 1986, workers more often came in and tried to work, knowing that if their condition did deteriorate they would be allowed to leave. As supervisors overlooked little opportunities to discipline workers for minor horsing around, and workers overlooked opportunities to file grievances for minor violations of the contract,

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<sup>284</sup> From 1984 to 1988, two of the plant's five assembly areas had annual average runtime performance of below 180 in one year. In all other area-year combinations (23 in total), average performance exceeded 180 (table 8.8). After averaging 173 in 1984, the press shop (dept. 110) and the "blanking area" (dept. 109) also averaged 180 or higher from 1985-1988. While performance on some jobs approached 300 in the late 1970s, no assembly area averaged more than 226 between 1983 and 1986.

<sup>285</sup> Although more senior workers and those in areas with the most "autocratic" supervisors (often the same thing) questioned how much worker-supervisor relations had changed.

worker-supervisor relations less frequently degenerated into the vicious circle, "get even game".

ii. The Shop Floor Social Structure

Interviews with hourly workers, managers and union officials at Kitchener revealed a sharply delineated social structure. On the shop floor, there existed a prominent group of informal leaders identified by a series of colorful nicknames. Almost without exception, workers asked the question, "do some workers have more contact with the steward than others?" responded with a smile of recognition and their own views of outspoken shop floor workers. Informal leaders acted as spokesmen for other workers in their area and the link with the shop steward. Many informal leaders were shop stewards or higher level union officials in the past. One press shop steward said: "We got 14 lines out there....Every line out there got a spokesman. Whenever there's trouble on the line, you got the same guy is going to bring the problem." Workers described a variety of situations in which informal leaders play a role: disputes over the fairness of a new rate; machinery problems that hamper achievement of customary daily output and earnings levels; health and safety problems; violations of seniority or other work rules; or perceived supervisory harassment.

Interviews also revealed variations in the character of informal leaders. The most common informal leaders at

Kitchener were outgoing workers unwilling to let supervisors intimidate them or other members of their immediate work group. In addition to the more generic spokesman, the nickname that best captured these figures was "shit disturber"--as in people who stir things up. In sociological studies of shop stewards, these types of individuals have been characterized as "workers motivated by concern for the immediate work group" or workers "with a helping orientation" (Martin 1986).<sup>286</sup> In the past, Kitchener management's style brought such individuals to the fore among the formal and informal leadership. According to one worker,

When the company was coming down on people, then when elections came up, you looked for a fighter, you looked for someone who was tough. Now that the company is being softer, the individuals don't perceive the need for a fighter that there was.

The presence of such charismatic workers at all levels of the local leadership helped account for the cohesiveness of the local in the past. On the other hand, some workers reported a tendency among these kinds of informal leaders to call stewards or hassle supervisors to entertain themselves and, in the eyes of quieter workers, avoid work.

A less numerous category of informal leader at Budd-Kitchener consisted of workers motivated more by commitment

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<sup>286</sup> See also two pioneering early studies of local unions and shop stewards: Sayles and Strauss 1953, 65, 83-98; and Peck 1963, 97-105.

to what they regard as "union principles". These more ideological informal leaders workers may have been less inclined to use their confidence for personal benefit than are more spontaneous "shit disturbers."<sup>287</sup> One informal leader like this expressed dismay at other workers' increasing willingness to acquiesce to foremen working. Another led the shop floor opposition to the combination of separate office and production unit quality control classifications.

A third category of worker consisted of workers perceived by others as not pulling their own weight. They called the steward to "get time off the job," stop the line from making incentive rate when they "don't feel like working," were often absent, etc. In the plant, these workers went under the nickname of "dogfuckers." One press operator explained

That's a common term on the floor. Like a person who slows up production, finds anything wrong, throws slugs in the die, tries to screw things up because he just doesn't want to put the parts through...

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<sup>287</sup> Martin (1986) also uses the term "ideological" to characterize one of his three categories of shop stewards. Using survey information and principal components analysis, he finds statistical support for the existence of stewards "with a helping orientation", ideological stewards and a third group, individuals motivated by personal or careerist concerns. At least so far, the highly political nature of the Kitchener local has reduced the chance for more personally-oriented individuals to hold onto union office: as one worker put it, Kitchener "is a much more political local [than most]. You've got to win an election and in many cases, you've got to campaign pretty hard to get elected."



Earlier in the interview, he said, "Every line has them...All the slacking off they do, the rest of the line makes up for...There's some guy out there that just want there money for nothing."288 Another press operator, one classified as not pulling his weight by others, said there's "guys who [feel] 'I want to make as much money as I can the easiest way I can.' That's the group I...consider my associates."289 The focus on output and daily incentive earnings at Kitchener helped account for the more outspoken criticism of this behavior compared with Detroit. Fear that low levels of output might reduce plant competitiveness provided an additional reason for resentment of workers that slow production below the group consensus level.

Workers perceived as "hard workers", "scabbers," or "pushers," in contrast to dogfuckers, wanted to increase output. One press operator explained their motivation.

Scabbers. They're the type of guy will work right 'til the buzzer goes and then come out five minutes before the break and run parts up 'til they fill the conveyors right up before the pay press, so that when the buzzer goes again, away they go...I would speculate that...they like to

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288 Several workers suggested that dogging it and slowing down the work group as one of two ways to get the foreman to promote you to lead hand. The other way was to be a good worker and to help the foreman.

289 As at Detroit, this group may overlap "ghetto workers" that have substance and alcohol abuse problems. At Kitchener, the use of drugs has reportedly diminished substantially since the late 1970s. One worker said it has gone "from a lake to a bucket." One big reason for this, of course, is the layoff of much of the less senior "wild bunch."

put an effort into it because they get out that feeling of job satisfaction...Along with the money.

Objective circumstances as well as workers' worldviews influenced whether they favored increasing output. Married workers with children, immigrants and internal Canadian migrants more often fell into this group. The worker who characterized himself as interested in getting as much money for as little effort as possible pointed to a "conflict of interest" between his group and what he termed "company boys." He also explained that the latter group is "stupid in my view. In his view, I'm lazy." Another operator acknowledged that most workers wanted to dog it on occasion and to push the line on other occasions. In general, he added, you have those that want to "work, work, work...[and] your dog-fuckers and the rest of us fall in between."

As did Detroit, Kitchener had a residual accomodated group. These were not informal leaders and fell between workers perceived as holding back or speeding up production. Monitoring earnings through the day and adjusting the pace to enable the pay point to alternate between downtime and maximum speed helped pass the time for production workers in general at Kitchener.<sup>290</sup> Joking

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<sup>290</sup> One worker explained, "there's lots of mathematicians out there" who calculate daily earnings under various combinations of downtime and output to within a penny. In the 1970s, symptomatic of the deep antipathy between workers and the company, workers sometimes grieved when they thought their paycheck was a few cents short.

around and other social interaction--made more possible by the degree of autonomy and lack of deference to managers among Kitchener workers--probably played a bigger role than at most plants in increasing workers' satisfaction.

Incentive earnings also provided workers with income to support a comfortable family life or hobbies outside the plant.

The most commonly used nickname at the plant in the late 1980s, five percenter overlapped several worker perspectives and was interpreted in different ways by different people. The term was introduced to the plant by a 1-day SPC seminar. The presenter characterized five percenters as workers who don't care about quality or the plant's future and who impede efforts to make it more competitive. To some observers, this meant only workers who don't pull their own weight. To managers, it more often meant influential workers who impeded efforts to reorganize work and increase worker commitment to corporate goals: i.e. informal leaders whose perspective did not change quickly in response to EI, new training and communication efforts, or a softer supervisory approach.

### (iii) National Context and Shop Floor Relations

National context shaped shop floor relations in a number of direct ways at Kitchener and Detroit in addition to more indirectly through its influence on historic

patterns of shop floor relations. First, the homogeneity of the Kitchener workforce--typical of Canadian plants more generally--mitigated demographic tensions at Kitchener compared to Detroit. The Kitchener workforce was almost exclusively male and predominantly white. The plant also had a considerable number of first generation immigrants. While this created the potential for ethnic conflicts, it also increased the number of accommodated production workers content with the type of job and income working at Budd provided.<sup>291</sup> Finally, Kitchener workers varied less in age at Kitchener. The fact that more senior workers at Kitchener were young enough to retain ambitions of more skilled positions reduced the potential for conflict between more senior workers and would-be craftsmen.<sup>292</sup>

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<sup>291</sup> While tensions among workers--over rates, for example--sometimes broke along ethnic lines, immigrants appeared fairly well integrated into the shop floor leadership of the plant. One steward in the press shop was Indian. Two of the workers who had just returned from the union's Paid Education Leave program were Yugoslavian and West Indian, respectively.

Twenty years ago, first generation black migrants from the south may have played a similar stabilizing role at Detroit: i.e., the post-World War II Detroit cohort included informal leaders linked closely with a large accommodated group. The post-1960s cohort included more workers with greater individual ambitions--would-be craftsmen and joiners--as well as "ghetto" workers who responded to their frustration on the job by turning to drugs and alcohol.

<sup>292</sup> Especially if a recession leads to temporary layoffs of younger workers, the potential for a split between the post-1980 cohort and the pre-1975 cohort at Kitchener might grow over the next few years. This is particularly so because suspicion of management ran much deeper among the most senior production workers who built the local than among the workers who came in after the union grew strong or plant relations had stabilized in the 1980s.

Second, fear of job loss, particularly among less senior workers, appeared much greater at Detroit than at Kitchener. This is to be expected given the relative unemployment rates in Detroit and Kitchener, the difference in the generosity of unemployment compensation in the two countries, and the relative pay of other jobs that workers on layoff might be able to get. A once-militant Detroit press operator with a sixth-grade education put his predicament bluntly. He said "it's a jungle out there without a job" and then added:

Man, I got to be concerned [about job security]...I've been here 17 years...If this goes, what am I going to do. You got to have a resume to get a job now. You got to have a high school education to get a job. You got to have work experience now to get a job. You ain't got work experience and all the other stuff, they don't want you. You be out there on the streets on the welfare rolls or behind a gun. And they're neither one of them no good.

Although one should not exaggerate the difference, at Kitchener only two hourly workers expressed great fear of layoff. One of these had been layed off for all but six-weeks in a three years, 10 months period in the last recession.<sup>293</sup> Several workers said explicitly that if they lost their job, it would not devastate them.

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<sup>293</sup> The other one said: "I was layed off in '79. That shook me up, because unemployment ran out, I had no work, and I have really seen the depths where no paycheck is coming for months,...and I'm using up my savings to live...That shook me up and made me appreciate my job a lot more...I wouldn't ever think of going out on the street and saying 'to hell with this company' any more. Because...this is a good place to work for and it's not that easy to make money. And that's the way I think everyone has changed."

Related to the contrast in workers' relative fears of job loss, Detroit workers asked what job security depends on all answered the quality and/or productivity of their plant. Very few workers at Kitchener said productivity. Many said quality and a significant number said trade and, occasionally, other political factors. They also argued that wage concessions wouldn't necessarily save jobs. The Canadian union's no concessions campaign, its emphasis on political strategies (including local content) for saving jobs, and the Canadian debate on free trade (which had begun by the time of the 1986 interviews) had clearly influenced how a fraction of shop floor workers understood their future--and thus their readiness to accept company arguments that improving performance was the only way to protect their jobs.

National union strategy also contributed to the much greater prominence of "would-be craftsmen" and joiners at Detroit. Along with the erosion of collective action and the absence of alternative job opportunities, the rapid diffusion of teamwork in the U.S. led Detroit workers to think self-consciously about how they might fit into such a structure. Indeed, the Jefferson St. Modern Operating Agreement was announced early on during the first extended visit to the Detroit plant. At Kitchener, the idea that substantial work rule classifications and teams would be introduced soon was not spreading on the shop floor.

D. Patterns of Shop Floor Relations and Traditional Shop Floor Issues

i. Labor Utilization

Chapter 9 emphasized that managers believe that substantial improvements in labor utilization are necessary to make Budd's plants competitive in the 1990s. At Detroit, among production workers, efforts to do this had not generated open conflict in the 1980s. At Kitchener, however, the two major aspects of managers' attempt to get workers to work a higher fraction of their paid time both generated opposition on the shop floor. The most significant labor-management dispute in several years arose when management attempted to stop workers from spending a customary 20-minute personal relief time in the plant cafeterias. Attempts to keep workers on the job until the bell at the end of each shift or work period generated more scattered resistance.

The relief time incident is worth relating in some detail for several reasons. It shows how plant-wide conflict with management reinforces union solidarity. It illustrates the orchestrating role played by informal leaders in worker resistance to managerial efforts to change shop floor practices. At the same time, the catalytic role played by a very small number of activists--this on an issue about which workers' shared a common sense of righteousness--shows that, in this economic climate,

even in a plant such as Kitchener, militant resistance to managerial modification of plant customs hangs by a thin thread.

The relief time incident grew out of a longer term effort to increase the fraction of the day that workers spend on their jobs. At weekly meetings, the production manager and general foreman decided in late 1985 to initiate, in the production manager's words, a

...program to ask people or convince people that they should start work on time, they should work up to the break, they should be back after the break, they should be back after lunch, and they shouldn't leave their job early. We're paying for that, we expect that. We have to have it to remain a viable corporation in the long run.

The program began on November 20, 1985. Each general foreman held meetings in his area explaining that, for the plant to compete effectively, employees needed to work from the bell beginning each work period to the bell ending that period. After the meetings, the general foremen and production manager instructed supervisors to forego disciplining workers who arrived late or departed early. They told supervisors instead to repeatedly explain to offenders the reason for the company's efforts.

Most production workers responded by staying on the job until within a minute or two of the end of the shift. A small group of workers, according to the production manager and several general foremen, continued their earlier traditions, most often indirect production workers. Several workers agreed that a few individuals would leave



early to test management's resolve and to prevent erosion of past customs. Press operators and assembly welders observing non-production classifications leaving for breaks or to wash up early began to depart early again, according to managers. Management decided on a second round of meetings in which foremen would reemphasize to employees the importance of working bell-to-bell. Before the second meeting, however, the issue of relief time cropped up.

In January, 1986, a press shop foreman asked the labor relations manager for a copy of the company rules. These rules included a 1978 memorandum that workers should not spend relief time in the cafeteria. They could go the bathroom and stop and buy a coffee on the way back to the job but not sit in the cafeteria for 20 minutes. Some foremen in the press shop began enforcing the rule. This led to the following incident.

In March, a press operator asked his foreman early in the afternoon shift if he could have his relief time to eat his lunch in the cafeteria. The foreman showed him the company rule. The operator went to the cafeteria anyway. After the operator opened his lunch, the press shop general foreman came into the cafeteria and told the operator to go back to his job because there was no such thing as a personal relief period for sitting in the cafeteria. The operator finished his lunch before going back to the line. The general foreman disciplined him.

After this episode, the union bargaining committee asked for a meeting with management. At this meeting, management refused to change its position for fear of legitimizing the non-contractual twenty-minute relief period. In the upcoming meetings with employees, the production manager and general foremen told foremen to state the company rule on relief as well as reiterating that workers should arrive and leave on time. In part, the success of the initial bell-to-bell effort persuaded managers that workers would also accept the logic behind the relief time announcement.

On Tuesday, March 31, meetings began throughout the plant. At ten a.m., fifty three welders and non-production workers assigned to the ST area met in one of the plant's cafeterias. The meeting passed without incident as a foreman discussed the bell-to-bell issue. As soon as the foreman mentioned the relief time issue, workers began booing. According to a worker there:

There were actually, you could see five or six guys out of that fifty huddled around. They were the vocal people. Say, "hey you guys, where you going? You ought to just get (the production manager) down here"...Then all of a sudden...there's fifty guys sitting down. There's actually a handful of guys speaking for fifty here. But in this instance, all fifty guys felt they were right. 'Cos there's no way they're going to take this away from us.

The committeeman for the area went out to find the production manager. He returned to say the production manager could not meet with the group then but would do so

the next day. Other groups of workers in the plant accepted the relief time message without incident.

The next morning rumors circulated that the production manager might not be able to meet with the group again. At the first break, an informal leader canvassed ST workers in the lunch room. They agreed not to start production at 9:12, the end of the first break, until management agreed to meet with them. Seeing this, the general foreman for the area called the production manager and set up a meeting for 10 a.m. ST started production again at about 9:30. Significant numbers of workers from throughout the plant came to the meeting in the plant's GM cafeteria.

At the meeting, the production manager reiterated the company's position but, in his own words,

We told the people, "you use a little common sense on your relief and we'll use a little common sense in administering the guidelines," and it hasn't been a problem since. But it has been accused of setting back the EI program two or three years.

On the shop floor, according to union officials seven months later, the practice of taking 20 minutes personal relief remained unchanged.

Workers expressed confusion and dissatisfaction about management's decision. Most workers were not told that management wanted to cut back on the break itself. Some supervisors just repeated the content of the 1978 memorandum. Almost all workers argued that the decision made little sense if they weren't going to be working

anyway. They also said that personal relief time provides a refreshing break from the noise and the heat of the plant which they don't want to give up. Several workers expressed particular irritation because the company had just announced record profits. Others noted that performance, especially in ST, had been improving steadily. Some workers claimed that this was a deliberate test of union strength made possible by a decline in demand and an increase in finished parts inventory.

The incident sent tremors through the EI process. The ST "Trailblazers" group threatened to quit, then continued meeting after consulting with the local president. One member of this group said the participants in employee involvement take enough abuse from other workers on the floor without this kind of incident. An assembly welder from another area also raised questions about the consistency of this action with cooperation:

On one side, they come in and say, "we need a participative management, we want your input, you've got to do this." And on the other side they slap you. Now I don't think those two go hand in hand. If I participate and I give you a hundred percent production for a day...you're going to come and tell me that I'm losing five minutes?...I never had one second of downtime and you're going to come and tell me, 'you've got to stay right here...'

Three years later, a new confrontation on the same issue would help trigger the union's withdrawal from an EI program that had already atrophied; and the local union's

adoption of the National Union's September 1989 "Statement on Work Reorganization."

Workers and union officials felt that the incident pulled the local together in a way not seen in years. Managers who said they had forgotten what life had been like in the 1970s said the incident brought back vivid memories. Symptomatic of the close ties between local leaders and the shop floor, local officials unanimously approved the action. One local officer said, "It's about time someone started standing up for themselves in here again."

#### ii. Temperature in the Plants

The preservation of collective traditions gave workers at Kitchener more influence on working conditions than those at Detroit. At Detroit, as we saw earlier, walkouts on hot days ended in the late 1970s. A metal finisher maintained:

...It's been like ovens in here..On those unbearable days, we used to leave. And I figured it was understood...In the winter time, it's hard to get heat...We like froze to death one day. We were promised heat all day. I thought...we should have left. You can't work in overcoats and gloves. But they did. And that's something you can't do alone...You can't just say, 'well, I'm leaving 'cos it's too cold.

Speaking more generally, he said:

You have people here who are really afraid of losing their jobs...You can't get that unity that you need to make a ...strong statement. About anything...So you got people who are gonna...work regardless. They say, 'we walking out today? Man, I can't afford to walk out.' If there's a

good reason, you can't afford not to leave. But we might as well not even discuss walkouts. These people not leaving here.

The decline in collective action does not necessarily mean that working conditions have objectively deteriorated at Detroit since the 1960s. Automation, lighter parts, and the improvement of plant facilities--some of it at the suggestion of EI groups--had all improved working conditions recently (especially by 1988). Workers' control over working conditions through the use of collective leverage, however, has declined.

At Kitchener, by contrast, when several short Humidex days in the summer of 1988 threatened to cut off the supply of parts to major customers, managers sought the union's help in negotiating a modification to the "Humidex" agreement. The existence of this clause and the likelihood of a work stoppage in response (and an even greater loss of production) ruled out a unilateral attempt to keep workers on the job. As a result, the company asked the bargaining committee to help persuade workers to continue production next time the wet bulb reading rose above 93F/34C. The union agreed to co-sign a memo asking workers to remain at work and granting them an additional 10-minute break plus free drinks every hour. Hourly workers reportedly received this memo with a mixture of acquiescence and grumbling. For some workers, the loss of earnings associated with Humidex days had begun to make them want to stay at work anyway. Others, however, criticized the bargaining

committee for even temporarily making what they regarded as an unacceptable concession. A majority of the workforce, however, stayed until the end of the shift on the next Humidex day. The end of the hot spell shortly thereafter at least temporarily defused the issue.

E. Workers Links to Informal Leaders, Shop Stewards and the Union

Workers links to shop stewards and views of the union varied at Detroit and Kitchener with prevailing patterns of shop floor relations. Production workers at Kitchener, the majority of which had worked at least briefly in the plant before the union became strong, viewed union officials and shop stewards as a powerful positive influence in the plant. The sitdown over relief time had reinforced a collective sense of moral outrage towards management. At Detroit, older workers, in particular, retained a residual loyalty towards the union but all workers saw it as less powerful on the shop floor than in the past. Despite the strength of the union at Kitchener, some workers did have a perception of stewards, union officials and their closest allies on the shop floor as using their positions to avoid work. Because the union there has had an almost exclusively adversarial role, a decline in open labor-management hostility has given informal leaders and stewards less opportunity to demonstrate their value to other workers. In the absence of an expansion of the

union's independent role in plant and personnel management, reproducing union commitment may be difficult in the future.

i. Detroit

At Detroit, workers' opinions of their current steward reflected the gradual diffusion of a more individualistic pattern among production workers. Most workers saw their stewards as having a less central role than in the past. One press operator said that his steward had "no role." Several others described stewards' primary responsibility as getting workers fans on hot days or putting up cardboard to stop oil from dripping on operators. Some press operators, in contrast, still saw their steward as having an important role in disputes with supervisors and on issues of safety. According to one, "The steward will back you up." Several others referred favorably to a press shop steward elected to the bargaining committee in the previous election. One press operator said,

...the steward's always important. He's got to oversee the management, he's got to make sure his men are taken care of...If he's a good steward, he's gonna come by and he gonna see every one of his people, every day...

Workers in the assembly area held the most negative views of shop stewards in 1986. A subset of workers including more than one member of each race also claimed that, in 1986, the steward assigned some jobs. In exchange for the right to assign his friends to easier jobs and not



having to work himself, these workers maintained that the steward agreed not to interfere with supervisors who assigned the rest of the workforce in order to achieve production quotas.

The memory of good stewards in the past led some workers dissatisfied with their current steward in 1986 to express the desire to get a better steward rather than give up on the possibility of effective representation. In the press shop, two older informal leaders told of employees who had asked them to run against a current steward. In the assembly area, a group of workers in 1986 circulated a petition trying to get their current steward recalled. Nonetheless, despite widespread criticism, this steward in 1986 had won reelection twice. The first time he won a disputed election in which opponents claimed that the polls closed at the union hall before all workers had voted. The second time he beat a white worker. Opponents of both races charged that he did it by circulating a rumor that his competitor had said he would never appoint a "nigger" to the alternate steward position. Workers circulated the recall petition during the steward's current term. The initiator reportedly ended up on some of the worst jobs in the department. In 1988 elections, the steward was finally replaced when he finished third out of five candidates, receiving seven out of 42 votes in the department of 57.

While the assembly area worker/steward relations in 1986 appeared atypical, they illustrate that stewards with

poor reputations are not always replaced immediately. As steward's power and work group cohesion declines, natural leaders are discouraged from running because the position has less power. Worker disillusionment about representation reduces turnout. Racial division sometimes enables less capable or committed employees to win and helps turn elections into loyalty or popularity contests. For steward as well as committeeperson, workers complain and then reelect the incumbent. According to a supervisor, "back in the old days, we had guys who were knowledgeable about the contract and some of them were rowdy but not all of them. [Today], very few win on their principles." An assembly area informal leader said, "Now you get stewards that just want to be stewards so they won't have to do nothing. And that's sad. And that makes for a weak union." Lack of effective rank-and-file discipline of shop floor union officials increases the division of elected representatives from the shop floor social structure and from informal leaders. This is not necessarily irreversible. To rebuild workers' confidence in the possibilities for effective representation and in their power to invigorate the union would require, however, a change in the economy that is unlikely or a union strategy designed explicitly to reestablish links with the rank and file.

Workers in all demographic and worldview categories at Detroit perceived the union as less powerful as in the

past. One press operator said simply "the complete union's weaker than it used to be..." Another press operator maintained that the committeemen are

...set aside and they shouldn't be...They don't know what's going on...What they don't understand...is people are getting wise...that they'll (the committeemen) just listen to their story and say, 'yea, yea, yea,' and mosy on off. Then they (the worker) don't hear from them any more.

As with stewards, workers perceived prejudice in committeemen:

Lot of prejudice going on out there....Even in our committeemen...It's not like the olden days when people used to really get along together. You got the newer generation coming out. There's just a lot of back-stabbing...You know how it is on the streets. It's a rough life on the streets. Same thing in here.

Workers see the union's primary function today as protecting the jobs of workers with absenteeism problems. Especially among "would-be craftsmen," this perception takes on a critical tone. One press operator said:

Union's just there to save your job. You can't really advance, say you're a good worker and you had a good chance if there wasn't a union. There is a union. You gotta go by seniority with the union...People with ten years, the young guys that can handle it better, can't go any place.

An assembly worker concurred.

I don't need a union here. I'd still have a job without a union. 90 percent of these people would not have a job without a union. Or they would be better workers. One of the two.

One worker saw bargaining to get absent workers' their jobs back as a reason for the union's decline in power on other issues. Other workers criticized the practice of trading

grievances at bargaining time. They argued that this means the issue which led individuals to file is never addressed directly.

The separation of some stewards and committeemen from the subtle collective action that still takes place at Detroit and the limited power of the union to address workers' daily concerns contributed to a tendency among Detroit production workers to see union officials as narrowly self-interested. For example, several workers interpreted union officials' waving of the contractual prohibition on overtime in the assembly area as motivated by the link between committee pay and the average earned by workers in the plant. When the union safety committee prohibited their group from taking up "contractual" safety issues, several group members felt this stemmed from turf considerations rather than concern for members' safety.

ii. Kitchener

At Kitchener, workers generally spoke favorably of the union and union representatives. The majority of the workforce still remembered life in the plant before the union grew strong and gave the union some credit for improvements in working conditions since then. One of them said that complaints by union activists on health and safety issues sometimes screw up his earnings but added:

I would not have the...guts to stop a line and say, "this is unsafe, I'm not going to work on it." But [the people who are involved in the union], those are the type of people who do it if

they have to. So sometimes they sort of take care of me, but sometimes they're a nuisance....294

Incidents such as the confrontation over relief time helped reinforce workers' support for the union and links with the informal leaders that precipitated the sitdown. The plant's group incentive rate system also played an important part in sustaining existing patterns of shop floor relations at the plant. Despite conflicts within work groups about how many parts to make, incentive rate fights reinforced the idea that management and workers have partially conflicting interests. They also reinforced the position of informal leaders. As well as more or less explicitly coordinating actions on the shop floor, shop floor leaders sometimes became personally involved in discussions with plant management during rate renegotiation.

Despite continuing support for the union, some workers felt the union was no longer as powerful as the past. Union officials also suggested that workers' views of outspoken workers that most often protest company actions may have grown more critical for three reasons: the aging

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294 The same worker later added "One of my close friends was fired from this place and he was a pretty good worker. Back in '75. And the man literally cried for his [job]...He couldn't speak English so he took me with him to the foreman and he begged for his job back. Because his wife was pregnant and he had just come from [his country] and he was really penniless at that time. And I felt very enraged at my foreman because he fired him for a very petty thing. But I still didn't do anything about it. I am sure that if it was one of these kind of people, he would have just led everyone out on a wildcat"

of the workforce, the company's adoption of a somewhat less aggressive supervisory approach and the change in the economic climate. In the 1970s, harsh supervision provided informal leaders with frequent opportunities to lead actions that other workers accepted as essential to their protection. Even in cases where they didn't support the action, workers had fewer family responsibilities and job security fears than today. A wildcat would not jeopardize jobs or essential income. In 1986, the workforce was now older and more dependent on a steady income. Supervisors less frequently took actions that workers felt were worth challenging. A more competitive economy also created the possibility that workers would see some militant actions as against their interests because they endanger the future of the plant.

One shop steward estimated that outspoken workers might have called the steward three times for themselves and three times for broader problems during the 1970s. In the mid-1980s, they did it five times for themselves and once for the work group.<sup>295</sup> The union president in 1986

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<sup>295</sup> Perceptions of what is worth complaining about do, of course, vary. The people calling the steward may see themselves as speaking for the group on a general problem when some members of the group see outspoken workers as selfishly motivated. A related issue is that, among production workers, more confident workers' efforts to extent their social autonomy may be viewed jealously by other employees. Thus, one steward talked with glee about a case where he and other union representatives had snuck food and drink into the plant for a sumptuous feast on night shift. To him, this was an effort to defend a non-managerial set of values and was not necessarily seen as in conflict with being a good steward. On the other hand, the

expressed support for the actions of outspoken workers but acknowledged some erosion in their standing on the shop floor.

Well now they're the whiners, whereas years ago they were the guys that you would have liked to be a steward. We call them the whiners but, like I say, they're the guys that don't put up with any bullshit and they want to stand up for their rights. And sometimes they'll nitpick. But you can see where they're coming from. It's like being in the battle of Verdun...you've got to fight for every inch of ground.

In some cases, workers expressed a mixture of doubts about the legitimacy of the actions of the most outspoken workers and delight at their success at getting away with exploits that their less confident colleagues would not dare. Such contradictory views showed through, for example, when workers simultaneously expressed disapproval while smiling at the memory of walkouts that stemmed partly from a desire to watch important hockey games.

A few workers also expressed resentment that stewards don't work full time. One press operator said: "Right now stewards just walk around and get paid for it. I think he should get a job and work and if somebody needs him, he

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steward recognized that workers' tied to the line might resent the access that stewards and some informal leaders enjoy to the outer limits of production workers' social autonomy; and thus insisted that the story be disguised because of the political damage it might do him. In contrast, an annual Christmas party among skilled workers at the Rouge does not generate such resentments (at least within the trades) because skilled workers generally have access to--and jealously guard--the autonomy that the party symbolically defends.

should get off the job."296As well as less autocratic supervisory approach, the changing economic climate, and the nature of production worker jobs--which makes the time off the line associated with union jobs or the chance to talk with the steward extremely attractive--the narrow definition of the union's role contributes to its difficulty sustaining support after the kind of regularization of shop floor relations that took place at Kitchener in the 1980s. The union's exclusion from management means that the regularization of labor relations associated with a less autocratic managerial approach leaves union officials and activists without a role to play that regularly reinforces their ties to other workers. One steward asked how he would react if the company treats workers fairly answered:

I sit in that union office, I'm getting paid a good wage. I'm with my feet up, relaxing and saying, "thank Christ, the foreman are not into screwing the men around and I haven't got a problem."

Several workers expressed the view that, if the company treated workers well then they wouldn't need a union--often

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296 The last two bargaining elections also suggested the existence of some dissatisfaction with the union. In the mid-1986 bargaining committee elections that took place not long after the first sitdown incident, five of six committee members failed to win reelection. The central general concern was a perception that the existing committee might be getting "soft," spending too much time out of the plant and getting too close to management. In 1989 elections, not long after management's second attempt to change the relief time custom, workers reversed themselves and returned to office the bargaining chairman in power before 1986. Once again, the time spent out of the plant by committee members was an important issue.



qualifying that by saying, as one worker put it, "but in this plant, you need a union."

The next section describes a historical case where shop stewards and worker-allied supervisors had a more expanded role in management than at Kitchener today--the truck wheel section of the Detroit wheel plant. It shows how this role reproduced solidarity and union commitment among production workers over 15 years of relative stability after the mid-1960s (and five decades of intermittent stability since the time of union organization in 1936).

F. The Wheel: A Retrospective View of An Organizational Pattern Among Production Workers

Workers' recollection of shop floor regulation in the truck wheel differed sharply from the patterns prevailing among press operators and assembly welders in 1986. When asked how relations on the shop floor had changed, workers in 1986 repeatedly brought up the wheel themselves. For workers employed there until early 1983, the wheel represented a positive standard against which they compared their current life on the job. Workers characterization of the wheel fit P.K. Edwards' "organizational pattern." Worker-supervisor relations, the prominence and role of shop floor leaders, the operation of peer pressure, and workers' role in production all differed systematically from even the more collective pattern at Detroit in 1986.

As discussed at length in the last section of the next chapter, shop floor organization in the wheel offers a fascinating parallel to team production today.

The wheel was the oldest section of the Detroit plant. While integrated organizationally with stamping in 1946, it retained its own distinct workplace traditions long after the merger of Budd Wheel and Budd Manufacturing. Mutually reinforcing technology, work organization, and patterns of social relations existed in the wheel, also known as Department 254. The wheel had a stable product line. Most of its lines produced the same family of wheels for years. Quality was easier to maintain in wheel production than in stamping, where flexible steel and the importance of surface appearance reduced the margin for error.

The wheel in 1982 had fewer classifications, especially indirect production classifications, than the press shop in 1986. Lines of demarcation separating direct production, indirect production, skilled and supervisory responsibilities were more blurred than in the press shop in the 1980s. All of the direct production jobs were bid jobs. Job ownership entitled workers to the same station each day.<sup>297</sup> A stable product line and job ownership created stable work groups. Supervisors supervised three or four production lines. Each individual line of workers

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<sup>297</sup> A press operator compared this with the press shop: in the wheel, "you knew the press, you operated it, you became good at it...You come in here, you don't know what you're going to run."

included a "leader," who was paid an extra five cents per hour. "We had three lines over there. The oldest man took the best line and the next oldest one, they took the next best. The youngest group got the worst line." Each line had a "job setter" who was responsible for coordinating die change-overs in stamping and for maintenance. The job setter called skilled tradesmen to resolve problems that he could not repair himself.

Workers recalled that they usually achieved the quota in the wheel one to four hours before the end of the shift. At least in the 1965-83 period in which those interviewed worked in the wheel, rate revision and rate fights were infrequent. The one worker who discussed the issue said that, if downtime proved a problem, rather than adjusting the quota, her supervisor would let them go an hour before the end.

Teamwork, close relations between workers and supervisors, and limited enforcement of lines of demarcation separating job classifications all mark wheel production off from shop floor regulation in paradigmatic mass production auto assembly. Production employees and set-up workers cooperated to maintain quality, limit downtime and change lines over quickly. As in parts of the plant today, desire to finish the quota provided the incentive to perform minor maintenance. According to one

press operator, in the wheel, "every man had his own toolbox."298

References to teamwork and the metaphor of the family recurred in remembrances of all categories of workers about the wheel. One moderate seniority white "would-be craftsmen" said,

We all stuck together as a team. We always made out...We took our responsibility to fix the machines, doing quality work...Over here, people just don't want to do that for some reason. Just come in and run their press, that's it. Put their eight hours in and go home.

A middle-aged, male black press operator maintained,

When I came...the people were different. The older guys would take some of the younger people under his wing...There was a lot of old-timers here in the wheels. This is where I learnt...the most important things about job setting or changing over a job or being careful about what you do...In the press shop, there's a different attitude. Because you got different people who come in to work on different jobs on different parts of the machine. In the wheels, you had one man do all that, unless it was a major job.

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298 The same operator said that, on his line, management created an incentive to change lines quickly by granting a fixed adjustment to the daily quota for each new set up: "Every man on 41 wheel line would change over his own job. You only got one hour special rates...If you fell behind...a job setter or the next man would...jump over and give you a hand." He added that "If we got the line changed over early, we could run some and get done." In the press shop, by contrast, "...it takes these die men all day to do a job...Then we got to rearrange everything to make it comfortable for us to work." His description of the wheel suggests that the strict separation of operator and set-up classifications that was supposed to take place in 1963 did so on only a selective basis or was reversed at some later data (again perhaps on a selective basis).

A moderate seniority black assembly woman said, "we were much friendlier...We didn't have as much...envy...There's a whole of envy [in the assembly area]."

Workers remember better relations with supervisors in the wheel. An older black worker: "You got some supervisors was in the wheels that you could go and talk to, explain your problem to, even if you were wrong. They would listen to you." A high seniority white worker said,

Years and years ago, when you had the hard core foremen in here, they were nice to you...In the wheel, instead of coming up, "you go over here, I want you to do this," [they'd say,] "hey, do you think you can handle this?" "Hey, no problem." Even if you can't handle it, you're gonna go for it. Because the foreman treated you with respect. Now, it's just--they kind of treat you like a bunch of dogs. "You do this or else you're going to be out on the street."

A moderate seniority black woman spoke of a foreman she later revealed to be white: "Our foreman, he was more like a father to us than a foreman...Whatever we asked him for, he would always try to do it for us."

Workers rarely mentioned shop floor conflict in their discussions of the wheel. One woman said that, if the supervisor did anger workers, "we might do nothing...We might give him about 400 pieces...instead of production, I think it was 624." In general, work groups had the power to force new supervisors to adjust to existing customs and traditions of informal negotiation in the wheel. If new managers failed to do this, then performance or their life would be made miserable enough that they would be

reassigned. According to the union Local President elected in 1987, his older brother a former wheel steward, "If they [supervisors] didn't fit, they wouldn't last." In the 1960s, management changed the wheel superintendent several times. Late in the decade, when Jack Albertson (Jr.) took the job, he got together with the union and said "how are we going to run it?"

In addition to giving workers power in disputes with management, workforce cohesion and peer pressure operated to discipline workers who impeded efforts to make out. Several workers emphasized that the wheel consisted of hard work and "hard workers." People who didn't want to work in the wheel would be dismissed before their 60 days were up: "If you couldn't push a broom right, they'd fire you. Now they'll...just keep anybody." "The people they kept, they got their 60 days, they were workers. They cared. That's the only way you're going to keep a shop going. You got to have people who care."

Stewards in the wheel took responsibility for vacation scheduling and some staffing issues, balancing worker and company needs in a way that would protect the wheel from upper management interference.

When a guy wanted to go on vacation, he went to the chief steward. He worked out when it made sense to go. Same thing with PAAs. [The steward might say] "No, we've got too many people out that week. How about the following week?"

On occasion, the chief steward would also arrange for a set-up worker to come in at 3:30 a.m. or 4 a.m. to change-over a line. This enabled the company to get the production it wanted and enabled workers to make out earlier in the day.

One assembly area worker said that solidarity tied together stewards, workers and supervisors in the wheel:

In the wheels, the foreman, the steward and the people were together. Over here, the foreman and people are apart. The steward is more so sometimes with the foreman than they are with the people, representing the people.

On the other hand, workers appear to have had stronger ties to supervisors who retained most management responsibility but were allied more with the work group than with upper management.<sup>299</sup> That is, workers had the strongest ties to individuals who both took their interests into account and had responsibilities--manpower and production scheduling, coordinating responses to bottle-necks or downtime, etc.--that affected how much workers' enjoyed their job on an hour-to-hour basis. Under the formal rules of procedural unionism, even in plants with quotas or piece rates, the union's exclusion from management usually meant that stewards' contact with workers was limited to occasions of conflict. It is no accident that local unions and worker-steward links were strongest in the past in precisely the settings where stewards won a substantive

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<sup>299</sup> While many hourly workers mentioned supervisors in the wheel, only the woman quoted above mentioned shop stewards.

role in the management of production--i.e., among skilled workers and where stewards in organizational patterns among production workers have supervisory responsibilities.



CHAPTER 11. FUTURE PATTERNS OF SHOP FLOOR RELATIONS

Chapters 8 and 10 analyzed past and present patterns of shop floor relations at Budd-Detroit and Budd-Kitchener. This chapter brings us to more speculative questions surrounding where the transformation of labor-management relations taking place at Budd and elsewhere in the North American auto industry will lead. From managers' perspective, the goal of this transformation is to get influential workers, peer pressure, and the local union to accept the primacy of corporate goals--in Edwards' (1986) language, to become "non-militant." At greenfield plants such as the Japanese transplants, Saturn and Budd-Shelbyville, screening of new applicants and the chance to design labor policy and work organization from scratch simplify the attempt to get shop floor leaders and peer pressure aligned with management priorities. At Kitchener and Detroit, by contrast, management strategy is constrained by the weight of history.

At Detroit, the weight of history meant the age of the workforce, the absence of a group of hourly champions of quality and performance improvement, and general skepticism of management. The last two of these were the result of the decline of collective traditions and deterioration in worker-supervisor relations that took place over the previous two decades. Black workers' cynicism about the white power structure in general probably reinforced their

skepticism of managerial arguments about working together. Working in Detroit managers favor was the positive predisposition of would-be craftsmen towards work reorganization and workers' perception that improving plant performance was the only way to protect their jobs. At Kitchener, the weight of history meant the existence of a core of militant informal leaders willing and able to lead collective protest of managerial attempts to change shop floor customs. As well as open conflict, influential local union members' reluctance to embrace labor-management cooperation was reinforced by the national union's views on the subject. Working in Kitchener managers' favor were the relative youth of the workforce; if they could find a way to tap it, the self-confidence of workers that reflected the strength of the local union in the past; and an economic context that may, over time, increase the number of would-be craftsmen who see work reorganization as a way to protect themselves as individuals.

The development in this chapter of hypotheses about alternative future patterns of shop floor relations proceeds in three stages. In the first part of the chapter, we analyze the impact of small group problem-solving activities on social relations at Budd. In the second part, we explore local union officials' perspectives on work reorganization and union-management cooperation. In the final part of the chapter, we draw on evidence from throughout Part III to argue that the introduction of

flexible work organization could encompass a range of qualitatively different patterns of shop floor relations. Only one of these alternatives, a modern variant of the pattern found in the Budd Wheel Department, preserves the collective orientation among production workers necessary to the construction of an inclusive pattern of sectoral development.

A. Small Group Activities and the Shop Floor Social Structure

i. Detroit

In the assembly area at Detroit, the breakdown of steward representation and the hostility of worker-supervisor relations in the years before 1986 left workers without effective channels of influence over working conditions and supervisory actions. In this context, several workers looked at the employee involvement program as a possible "voice." Asked "what do you see as the goal of EI?", one group member answered

It's a voice...A lot of people don't get a chance to express concerns...or know the right place to go to have something rectified...Other than telling a foreman, where they know it's going to end 'cos he's not going nowhere with it.

He later added, "people outside EI...A lot of them, when they want something done or they want something heard, they'll come to an EI member with it." In the Detroit assembly area, the EI group appeared to attract a

disproportionate number of 30-40 year old informal leaders-workers who might have been shop stewards in a plant such as Kitchener. Two EI group members interviewed had either run for steward in the past or seriously considered doing so. Three of the six people (out of 57) in the assembly area that one worker said could "take care of themselves" were in the EI group. The positive view influential workers in the area held of EI led additional people to volunteer for the program. By 1988, four groups containing the majority of the members on the floor had been established.

The success of EI did not eliminate worker-supervisor antagonism or lead workers' to accept all of managers' demands for flexibility on the job. Workers in the group still perceived their supervisors as practioners of "the bully way." This had increased their desire to get more effective steward representation and had led, after the election of a new steward, to a reassertion of basic seniority rights. From management's perspective, EI had succeeded in getting hourly employees to help improve quality. Led by a would-be craftsmen/joiner, the assembly area group had tried to improve the system for storing inventory from the press shop and also to redesign parts racks that sometimes introduced defects during the transport of parts across the floor and up the elevator

from the press shop.<sup>300</sup> In general, the potential to use small group activities to create a group of "champions of the process", and to institutionalize access to the ideas of would-be craftsmen, remained latent because of the still-underdeveloped nature of these activities at the plant.

In the press shop, since worker-supervisor and worker-steward relations had been less polarized initially, workers felt less acutely the need for a new institution of voice. Only one person mentioned press shop workers outside EI asking that a group deal with a problem that they had. Workers nonetheless expressed mostly positive views of the improved communication, willingness of managers to listen, "chance to participate" and acknowledgement of the importance of workers' knowledge that they associated with EI. One also spoke about the possibility of using EI as a channel for attending to the daily ergonomic issues that irritated him.

EI had had a range of consequences for local union solidarity at Detroit. EI appeared to exacerbate pre-existing splits between the original shop steward and some informal leaders in the assembly area. This steward dropped out of the initial EI group after one meeting. EI may also have helped overcome the divisions which had previously undermined opposition to the existing steward.

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<sup>300</sup> The group also worked on "creature comfort" issues such as improving the lighting and installing more conveniently located time clocks.

The steward elected in 1988 was an EI group member. In the press shop, their experiences in EI heightened some workers' resentment of the union. The press shop group had been told several times that they could not work on "health and safety" issues that invaded the turf of the union health and safety committee.

Anything concerned with safety we can't talk about...That's part of our job though. You work on one of those presses, the oil goes down your back all day long...They have all these dies and presses stacked in the aisle way. If somebody got hurt up in there, well how can the ambulance get up in there?...We were talking about yellow lines. He [the union safety committeeman] said, "that's safety."301

Union officials at Detroit suggested that differences about EI ran somewhat along age lines: older workers felt that supporting EI was somehow a betrayal of the union. A survey conducted by the union in 1988 provided support for the existence of a group that continues to be deeply hostile to the company and a second group, much of it in EI groups, that is less anti-management. In the survey, the union asked workers whether they favored moving the first break period by 50 minutes so that it gets attached to the 20-minute lunch period. Management favors this because it means stopping and starting production once rather than twice. In the assembly area where EI had grown most

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301 At both Detroit and Kitchener, some EI group members complained that supervisors and middle managers sometimes impeded EI. Supervisors, for example, sometimes refused to let group members off the job. Middle managers failed to attend meetings to which they were invited so that group members could draw on managerial expertise or resources.

substantially 90 percent of workers voted in favor of the change. In parts of the plant with some EI groups, the vote was opposed but close, 60-40 and 55-45. In parts of the plant without EI, the vote was 90 percent against the idea.

ii. Kitchener

At Kitchener, as in the Detroit press shop, the preservation of traditional union influence meant that workers who expressed support for employee involvement did not use the language of "voice." They did see EI as a potentially effective channel for resolving certain worker complaints, especially work environment problems. Some stewards passed work environment issues such as requests for improved ventilation and better gloves to informal leaders in EI groups because they thought the company would respond more quickly than if the bargaining committee raised the issue. At the suggestion of the union local president, the informal leader most pivotal in the sitdown over relief time led his EI group in an assessment of the feasibility of providing on-site continuing education for workers without a high school education. As new technology creates new skilled and engineering positions, the president saw education as a way to increase internal promotion from production to the skilled trades and from hourly positions into engineering. It may also provide workers with better opportunities if they leave the plant.

Based on the group's proposal, the company agreed to provide a building and supplies for a program run by local educational authorities.<sup>302</sup> As at Detroit, some small groups, especially SPC groups, also worked on small quality and production problems. Some workers, at least, decided whether to work on problems that benefitted workers or the company quite consciously. One said that his group alternated problems that helped the company with ones that "make things better for the guys on the floor."

From managers' perspective at Kitchener, small group activities represented a critical component of efforts to change the perspective or diminish the influence of informal opposition to the company. Managers had sought to change the views of informal leaders' by using a variety of forums to communicate the company's perspective and by giving these workers some of the benefits--skills, trips, time off the floor, recognition--that come with recent shop floor programs. Efforts to get informal leaders "on board" had been complemented by a less conscious effort to isolate independent voices that remain critical of management.

Informal leaders were natural candidates for the training programs and group activities introduced at Kitchener in the last few years. They often had the energy and confidence to learn new skills. Sometimes, at least at Kitchener, these workers entered new programs of their own

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<sup>302</sup> As union-management relations soured towards the end of the decade, rumors circulated that the company would cut the continuing education program as a cost-saving measure.



volition. In a number of cases, however, management had made a more deliberate effort to turn "whiners" and "troublemakers" around. The SPC three-month program had been one vehicle for doing this.<sup>303</sup> One of the workers behind a motion at a local union meeting to withdraw from EI and SPC was invited into the program shortly afterwards. Management also asked a prominent, young Yugoslavian into the three-month program shortly after he returned from union Paid Education Leave (PEL). The three-month program gave workers an expanded role in implementing managerial goals. In addition, the chance to learn new skills and grow in self-esteem and status provided an incentive to help the company.

Managers' perception was that a number of informal leaders had changed their view of the company. One felt that workers who turned militant in the past because of supervisors' aggressive style had become more positive towards management when given opportunities and respect.<sup>304</sup>

One worker still hostile to the company maintained that management's new initiatives, particularly the SPC 3-month

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<sup>303</sup> The SPC manager said that the authority for selecting candidates for the program was delegated to general foremen. Particularly in militant areas of the plant, general foremen tended to nominate their "five percenters" so that they would be removed from the area's trench warfare for three months.

<sup>304</sup> In theory, one might expect younger, work-group oriented informal leaders to respond most to changes in management approach, since the earlier militance of this group stemmed from their instinctive reaction to autocratic supervision. A softer management approach is less likely to change the perspective of ideological militants.

program, had led large numbers of former militants to "suck up" to their foreman so that they would be picked to get off the line for a while.

Interviews with participants in the SPC and EI programs revealed a range of reactions. One "five percenter" thought to have changed his perspective after three months SPC training exhibited continued deep distrust of management and a concern about loss of inspectors' jobs due to SPC. Other interviews suggested that some workers who would have considered helping management a betrayal of their fellows in the past might be more willing to help implement company goals because of a change in Budd's supervisory and labor approaches.<sup>305</sup> Whether Budd managers can create enough promotion opportunities or challenging new jobs to sustain a long-term attachment of these workers to company goals remains an open question. An interview with one informal leader who graduated from the three-month SPC program indicated that temporary placement in better jobs can reinforce workers' bitterness if they end up

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<sup>305</sup> One piece of evidence for employees growing identification with the company comes from their willingness to admit their employment in the community. Some workers said that working for Budd in the 1970s was a cause for embarrassment that might provoke a response at social gatherings of, "oh, you're one of those animals." In the 1980s, the publicity given the company's improved labor climate means that some workers and union officials proud advertised their association with Budd around the community by wearing company sweaters.

returning to highly fragmented jobs with little outlet for their new skills.<sup>306</sup>

A second approach to gaining worker support for managerial efforts had been to diminish the influence of company critics on the shop floor. Some informal leaders claimed that managers used the EI program and other channels of communication to try to isolate them and depict them as a threat to plant survival. According to one press shop worker:

They call us five-percenters...That's another thing they harp on with this EI program and it really irritates me. They try to turn the workers against themselves...In a way it's a kind of union destructive mechanism and the union hasn't really twigged onto it. But they try to label people who stand up for their rights as, like aliens...They'll say, 'hey, he's a dogfucker, he's not doing anything.'

EI groups and the SPC program potentially weakened the position of some prominent workers in one other way. Some workers viewed these activities as new vehicles for "whiners" or "squeaky wheels" to spend time off the job. As with union officials who take advantage of formal or informal rights to spend time off the job or out of the plant, the perception that militants take advantage of the perks contained in participation programs could erode their legitimacy and make it harder for them to gain workers' support when they protest managerial actions.

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<sup>306</sup> Along similar lines, Wells 1987 found that militant workers who took new quasi-supervisory "quality booster" jobs at a Canadian assembly plant ended up frustrated at the limits of their new job.

In sum, a more competitive industry and new managerial labor strategies threaten the traditional position of informal leaders as orchestrators of collective action and the widespread opposition to management that linked them to other workers. As long as informal leaders and stewards have no role in management--and thus no positive role that reinforces their ties to other workers once collective action becomes rare--the economic context and managerial emphasis on the competitiveness/job security connection today appear likely to shorten the half-life of union solidarity historically associated with the regularization of shop floor relations at once-militant locals such as Kitchener. On the other hand, because it involves a redefinition of union, worker and supervisory roles, work reorganization could lead towards a new role for informal leaders and stewards that legitimates them in the eyes of other employees. The most obvious possibility would be for informal leaders and stewards to play a role in problem-solving directed towards the study of internal promotion, training, displacement and other issues of concern to workers. Whether management would give the union input in these areas in exchange for union officials' and informal leaders' support for performance improvement remains an open question.

## B. Local Union Responses to New Managerial Strategies

Detroit and Kitchener union officials' response to management strategy in the 1980s have been shaped by a combination of local history and national context. Local union officials at Detroit initially reacted cautiously because of the strained relations with management and weak ties to the shop floor generated over the previous two decades. By contrast, and contrary to expectations based on national context, the Kitchener local cooperated more enthusiastically with EI and SPC at first. The influence of Mike McKinnon combined with the general level of collective confidence to persuade most influential members of the local that they could prevent these programs from hurting the membership or undermining the union. Beginning around 1986, a year after the departure of Mike McKinnon to a CAW staff position, the pace of work reorganization in each plant reverted to national form. Detroit union officials displayed willingness to negotiate a gradual transition to a Modern Operating Agreement (MOA). At Kitchener, union resistance hardened in response to perceived attacks on shop floor customs and a perception that managers were trying to impose their own vision of work reorganization rather than negotiate changes that also addressed union concerns.

i. Detroit

At Detroit as the union faced the question of how to respond to management strategy and demands in collective bargaining, a division within the union leadership existed that paralleled that between older and younger informal leaders--although age alone did not always predict individual views. Union officials expressed openness to contractual and shop floor changes that might help sustain plant employment but mistrust of management. Among older officials--both white, skilled trades workers and black production workers--the skepticism predominated. Two years later, after the election of a new president, greater openness predominated. The new president expressed willingness to negotiate changes in contract and work organization that would bring the plant in line with flexible arrangements in other parts of the industry.

All local officials agreed that the new competitive context made it necessary to consider modifications in traditional plant practices. In 1986, older union leaders accepted this with resignation rather than enthusiasm. Tunesi and a skilled steward both expressed the fear that this would be the first generation to hand on less to the next generation than it had received.<sup>307</sup> These officials had spent decades helping to build up contractual provisions that management now wanted to modify. Tunesi

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<sup>307</sup> This was a recurring theme in interviews with workers at a Ford truck plant conducted by Feldman and Betzold (1988).

viewed new agreements like the Saturn Memorandum and Chrysler Jefferson St. Modern Operating Agreement as "against what I believe unionism stands for." In his mind, these agreements went against one of Walter Reuther's principles--"...to lift the lesser developed countries to our level. Now we're being lowered to their level...But we don't have an alternative."

The ambivalence of older union officials towards work reorganization partly explained why EI and SPC diffused slowly at Detroit in the early 1980s. According to Tunesi, the union agreed to start a joint employee involvement program reluctantly because "We came to the conclusion that...we have to go into a program because our customer says you either have it or you don't have the business." One union fear was that the membership would perceive the union's agreement to start the program as evidence that it was "getting in bed with the company." To allay this fear and enforce the four conditions agreed to by the company at the outset, the union selected a union skilled trades activist as facilitator.<sup>308</sup> The facilitator sought to keep EI groups away from contractual issues, including those covered by the union health and safety committee. In addition, he tried to make sure that the company did not use the program to identify "apple polishers" or get

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<sup>308</sup> These four conditions were that participation in EI be voluntary, that the collective agreement be of limits, that no jobs be lost as a direct result of EI and that individual personalities not be discussed in meetings.

workers to "inform" on other employees. The local union under Tunesi also tried to make sure that EI suggestions did not lead to job loss. Consistent with this effort, it also opposed SPC, and, according to Tunesi, "staunchly resisted" company demands to have "flexibility of assignment...because with that goes jobs."<sup>309</sup> Nonetheless, he felt that ultimately his plant would have to make such changes but hoped it could negotiate for job security.

There's certainly going to be job losses, but there's going to be efficiency. Give the company what they really need as far as job assignment and maybe give us job security. Because if everybody else is doing it, we must do it. Whether...I want to do it or not, it's a question of survival.

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<sup>309</sup> Fears of job loss led the union to oppose bringing to the plant a one-day workshop called "Human Relations in a Statistical Process Control Environment" (reflecting the cooperative tenor of labor relations at Kitchener before the outbreak of renewed conflict over shop floor customs and the purpose of small-group activities, in 1986 this workshop was being given to Kitchener workers in groups of 30; note the contrast with the situation two years later when the Vice President of Stamping and Framing went to Detroit and Philadelphia, but not Kitchener, showing the 20-minute video regarding the company's competitive situation). The SPC workshop emphasized the Japanese threat, the need to close the productivity and quality gaps to save jobs, and that labor and management must work together. In defending his position at a Steering Committee meeting attended by the author, Tunesi repeatedly used language that recalled the position of UAW Vice President Irving Bluestone when he first advocated QWL in the 1970s. Bluestone stressed that the direct goal of QWL programs was to improve the quality of workers' lives on the job. Gains in productivity and quality, he argued, should be an indirect by-product of improvements in worker relations with supervisors not the direct goal of participation. Consistent with this view, Tunesi was particularly adamant that EI not be used to achieve direct improvements in productivity.



Despite the belief that further adaptation to competition would be necessary, older union leaders remained extremely hesitant because of their perception of MOAs as concessionary and an associated sense of confusion about the union role in such flexible agreements. Tunesi said bluntly in 1986, "what role the union plays in this [Saturn-type] structure, I honestly don't know." Older union leaders' skepticism of management and determination to resist some of the changes the company desired was reinforced by a number of small but to the union symbolic incidents. These included some personal disputes about the fate of a union representative in the technical unit transferred to Rochester; and about a disciplinary ticket given to a union committeeman when he showed up late to an EI steering committee meeting. Union officials also charged that management sometimes violated the contract or past practice to implement its strategies unilaterally when it could not negotiate changes as quickly as it wanted. One allegation along these lines concerned the contracting out of carpentry work within the plant.

In 1986, the union's uneasiness about the direction of labor-management relations was reinforced by a perception that communication between management and union had decreased since a recent change in plant manager. Detroit local leaders also complained about a lack of investment in their plant despite high profits. They voiced this complaint after hearing about the first incarnation of the

Philadelphia team concept agreement. They resented having being kept in the dark about the agreement until it had been signed. Some local leaders interpreting this agreement as an effort to whipsaw the older locals into accepting flexible contracts.

In November 1988, newly-elected black President Herb Wilbert, a skilled trades worker, expressed greater openness to negotiations over shop floor arrangements with the company. Wilbert represented part of a generational changing of the guard from the 13 percent of the 1986 workforce that came in before 1956--and saw the union at its peak of strength--to a leadership that came in from 1964 forward.<sup>310</sup> 51 years old in 1988 and with 24 years seniority, Wilbert felt obligated to deal with the pressures on the company and plant in order to protect people over the next decade. Partly because of his race and relative youth, he also appeared to have closer ties to shop floor production workers. This gave him more confidence than Tunesi that the union could prevent teams from hurting workers on the job. Wilbert's relatively greater willingness to negotiate ways to increase company reinvestment in the plant paralleled a similar evolution among production workers.<sup>311</sup> Together with support from

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<sup>310</sup> Industry demographics suggests that there is probably a transition taking place at many locals to leadership hired in during the expansion after the 1956-1962 slow period.

<sup>311</sup> In the 1988 elections, workers also elected to the committee an indirect production worker who in a 1986 interview had expressed opposition to folding indirect classifications into direct production classifications

white, skilled workers, this similarity in views helps explain his victory in the vote for President over a militantly anti-management black committeeman out of production.

Elected to the bargaining committee for the first time in 1978, Wilbert became interested in the union in about 1974. Three years earlier, he had seen the foundry leave. His brother, a long-time steward in the wheel, told him about the loss of the Thunderbird contract. Rumors were growing about the departure of the Hub and Drum section. Wilbert feared for the future of the plant. He also felt that communication within and between labor and management was poor. As a result, he felt that the union didn't find out what was happening until it was too late to do anything about it.

Recalling the "dark and frightening" memory of the plant at its low ebb in 1982, Wilbert in 1988 expressed a strong desire not "to preside over a plant closing." To prevent this, he accepted the need to make many of the changes seen elsewhere in the industry. He supported the redirection of EI groups into more quality and money-saving issues. He cited with approval EI suggestions which

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because it would lead to job loss. His election--probably with the support of skilled trades workers that also oppose classification combination--suggests support for his view among the moderate and high seniority workers that populate indirect classifications. The reelection of two older, white skilled trades workers, especially the union safety committeeman also suggest the continued influence of skilled workers attached to traditional classifications and skeptical of the company.

improved packagings for shipping parts; modified part racks to cut defects; and eliminated scrap. Wilbert also supported the expansion of the SPC program and the provision of SPC training to 80 percent of the workforce. So far, he said, this had not led to any reduction in inspectors.

Wilbert said he would consider negotiating an MOA for the plant and expected the plant to have such an agreement by 1992, when the current four-year agreement expires. He also said, however, that management sends "mixed signals" to the workforce. While some departments or individuals have become more "participative," others have not "bought in" and refuse to cooperate with EI groups and the new die transition teams. First line supervisors and some functional departments, he suggested, feel that cooperation jeopardizes their job or status. Management opposition, he felt, was the primary reason that additional pilot teams had not already been set up in late 1988. In sum, Wilbert said, "it's still not clear how far the company wants to go." Wilbert added that individual managers sometimes act differently inside and outside employee involvement. Management's mixed signals complicated the politics of labor-management change in two ways: failure to cooperate with EI and pilot teams undermines potential support for it from hourly workers; unilateral attempts to change shop floor practices reinforced the skepticism of critics of cooperation, especially older workers, indirect production

classifications, and shop stewards who felt personally threatened by the new labor-management direction.

Skepticism within the local union and management's continuing tendency to "move in two directions at once" made Wilbert argue that steps towards an MOA should be taken gradually. In local negotiations in 1988 what the union "tried to do is bite the elephant a bit at a time." It accepted some reduction in classifications and in representation. It also agreed to the modification of contract paragraph 137A, which gave layed off workers the right to refuse recall into another department and remain on SUB. The new clause requires workers to move within 15 days into the replacement pool from which recalls are made--and makes it easier to move workers as a group among departments.<sup>312</sup> Achieving an MOA slowly "through the course of bargaining," Wilbert argued, would make the changes less traumatic for the workforce.

I like to be able to do things without being pressed to the wall. Things can easily be accepted over time. Meanwhile, [we can] observe what mistakes are made. If they are detrimental to the union, don't do them again. This helps the company because you don't get the labor unrest.

The agreement to establish pilot teams in the 1988 agreement followed this philosophy. Wilbert said the autonomous die-transition teams were initially suggested to

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<sup>312</sup> According to Wilbert, "if the company wants to move people around the horn now, it just has to advance plan about two weeks."

the company by the union. When die transition time had plateaued at over 10, management and the union set up a "hit to hit" committee which consists of two bargaining committee members, the production manager, and the scheduling manager. Then, after a delegation went to a Maume, Ohio, Ford stamping plant near Toledo, its union members drafted a proposal based on what they saw. Wilbert took great pride in the success of this committee and the reduction in die transition team from ten hours to seven and one tenth hours in about 6 months. He believed that further cooperation from maintenance and tool-and-die could reduce transition time to four hours within a year--what he remembers die transition time being in the mid- to late-1960s when he came to the press shop.<sup>313</sup> He felt the activity of the past 18 months had lifted the mood of pessimism that had hung over the plant since 1981.

With the reduction in die transition time, company and union had discussed the dangers of job loss for die-setters. The company's effort to adopt just-in-time reduced this danger because scheduling shorter runs created create additional die-setter work. In order to maintain transition team employment, the union had also agreed that in between changing dies, team members could perform preparatory work--sorting dies, getting bolts ready, repair

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<sup>313</sup> To get below three and a half to four hours, he emphasized would require changes in technology. The perceived lack of cooperation from tool-and-die workers and maintenance workers probably indicates their doubts about team work and preference for traditional classifications.

work and preventive maintenance on the dies, etc. In late 1988, management and the union were contemplating additional experimental teams. Diffusion of teams appeared likely to be triggered by additional investment in connection with a new or extended Big Three contract.

In addition to improving performance and keeping the plant open, Wilbert believes that teams may have some benefits for workers on the job. He acknowledged that increases in flexibility create the possibility of favoritism and the danger that "institutionalized racism" might influence the selection of workers for team leader positions or special training. To overcome such dangers in the die transition teams, team "directors" were elected by the team. The team also had the right to change its director. This meant, Wilbert said, that "you have to satisfy the people you're leading." Two of three die-transition directors were white and one was black.<sup>314</sup>

To some extent, the new president's memory of how the plant operated in his earlier days, and of the wheel--which "kind of adopted" the younger brother of steward Walter Wilbert--provided a concrete vision of the direction he wanted the plant to go. Success checking recent unilateral attempts to extend managerial flexibility to deploy workers also made him feel the union would be able to protect

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<sup>314</sup> Members of one classification in a team can assist members of another classification as long as there is at least one person in the other classification.

workers' interest under team work.<sup>315</sup> "It's up to us," he concluded, "to make the change what we want it to be."

In exchange for the union's willingness to negotiate the kinds of changes the company wants, Wilbert wanted some kind of "tangible commitment" from the company. He acknowledged that it would be difficult for Budd to provide a job guarantee. Instead, he wanted evidence such as a recent Budd investment in a training facility at the plant and, most important, new investment in equipment. While changes might come rapidly if the union was faced with a plant-closing ultimatum, he preferred to introduce them slowly, "without having to take a big bite." That would enable the workforce to "come out of it without a bitter taste, come out of it in fairly decent shape."

While generally optimistic about the possibility of making the necessary changes and continuing to protect workers on the job, Wilbert acknowledged that Ogihara, Magna and Shelbyville put Detroit under great pressure. When interviewed, both he and the president of the Philadelphia local spoke confidently about their ability to introduce changes but maintain commitment to "union principles" such as seniority. When asked, neither

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<sup>315</sup> With regard to the borrowing of workers into inspection, the union had negotiated that the senior person in the transfer pool would be borrowed. Regulations were also in place dictating that workers trained for or borrowed into clerk and timekeeper positions should be taken by seniority. In addition, the union had put a stop to a practice of borrowing workers into supervision in areas without a formal leader classification.



president knew what they would do if locals that they competed with sacrificed union principles, for example by allowing management greater discretion over who to keep on the job in a recession.<sup>316</sup>

ii. Kitchener

In the early 1980s at Kitchener, EI and SPC got off to a fairly rapid start. The presence of Mike McKinnon and of a group of strong shop floor union activists gave the Kitchener local more confidence than most unions that it could prevent small group problem-solving from weakening its position. Union officials also expressed less fear of job loss through EI than at Detroit. Despite its fast start, managers' gradually came to believe that problem-solving, particularly in EI groups, concentrated too much on "creature comforts"--small, working environment issues. Together with conflicts over shop floor customs, management and union disagreement about the goals and structure of small group problem-solving led to the stagnation of the EI program. The union formally withdrew from EI and adopted the national union's "Statement on Work Reorganization" in the fall of 1989.

Explicit disagreement at Kitchener about the purpose of problem-solving groups began after a company-wide

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<sup>316</sup> The presidents of the two old U.S. plants talk periodically and respected each other's needs to negotiate deals for new "brick and mortar." They do not have regular contact with Kitchener or with competing Ford, GM and Chrysler stamping plants.

meeting of Budd facilitators in November, 1986. At the meeting, two corporate vice-presidents said that satisfying a customer's demand for a 30 percent reduction in costs over five years would require EI groups to address quality and process-related problems rather than work environment issues. At Kitchener shortly thereafter, the SPC manager introduced a proposal to accomplish this. In the three assembly departments and the press shop, he proposed to establish Process/Evaluation Groups (PEGs) consisting of the department general foreman, foremen of maintenance, toolroom, quality control, and production, and an area union representative. This group would determine which problems were to be worked on and then establish Process Action Teams (PATs), limited to eight members, to work on issues such as customer complaints, operator, equipment, parts, safety, and tool-and-die problems. The PATs would be made up of those people most familiar with the problem, e.g., a production and maintenance foreman, a manufacturing engineer, a toolmaker, a production worker, and a QC inspector. The groups would meet with a frequency determined by the Department PEG based on the severity of the problem. They would dissolve after solving the initial problem. The SPC manager felt that dissolving groups once they completed a problem and focussing them on "more substantial" process and quality problems would help overcome a tendency of EI groups to lose their momentum after a year or two.

Proponents and opponents of cooperation in principle within the local union leadership all reacted negatively to the PEG proposal. They did not object to creating a more flexible structure for forming and disbanding groups. Indeed there seemed to be an evolving consensus that this was a good idea. Union leaders objected to the lack of a provision for a union/management steering committee. They also objected to the degree of management control over the selection of problems. Workers and some union officials thought that work environment issues should be an important part of small group activities. The union also wanted to be able to direct EI groups at problems of priority to workers such as the continuing education of workers without high school diplomas. In response to the union's fears, the SPC manager argued that management believed appointing a steering committee would make the programs subject to union political pressures and stagnate. Kitchener management decided nonetheless not to establish a new program but to incorporate some aspects of the PEG idea within the SPC program.

While local union officials were united in their opposition to the PEG proposal, they articulated three distinct views of EI and union-management cooperation in general: skeptical, cautiously supportive, and more enthusiastically supportive. The five new members of the six-person bargaining committee elected in 1986, especially the plant chairman and skilled trades representative, held

the most skeptical view of union-management cooperation.<sup>317</sup>

The plant chairman elected in 1986 said that he understood why management wanted to eliminate some of the "abuses" that built up in the days of greatest union strength. Yet he questioned whether the company would be able take the actions it wanted to become more competitive and still "satisfy my concerns."

I'm not really on board until I find out what our goal is and see if it's common...OK, I've got a picnic table besides the job and I've got a coffee machine out on the floor, but the meat's coming, right?...The heads are going to start rolling...I've got reservations about where we're going and what we're doing...In order to be really competitive..., I can see them asking for a lot of different things in the contract...If this plant's going to survive, make that the long term goal, then they've got to take care of some of my concerns as well. If they can't, then obviously I've got to back away from that goal, get something at a lesser scale.

The bargaining committee in office from the start of EI until mid-1986 (some of them reelected in 1989) cautiously supported cooperation. Its members defended EI at a union meeting in spring, 1986 when opponents made an unsuccessful motion to withdraw from it. The former bargaining committee also favored the expansion of information sharing. Towards the end of its tenure,

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<sup>317</sup> Although the 1986 bargaining committee election winners did make their skepticism of EI known in the election campaign, observers report that EI was not a central issue. The central general concern was a perception that the existing committee might be getting "soft," spending too much time out of the plant, and getting too close to management. Concern that the committee elected in 1986, in turn, was spending too much time out of the plant led to high turnover and return of the previous plant chairman in the 1989 elections.

information sharing included union attendance at plant-level "Automation" and "Budd World" meetings. At the first, plant managers relayed information about future automation and its impact on jobs. At the second, corporate managers informed plant management about upcoming business and investment plans. Convinced that displacement due to automation posed the greatest threat to plant workers, this bargaining committee favored expanding efforts to deal with that issue. Uncertainty about where expanding union-management programs would take the union and concern about the political consequences of doing this made the committee cautious in mid-1986. The upcoming election and shop floor discontent stemming from the bell-to-bell and relief time campaigns reinforced the committee's reluctance to openly support the work rule or other changes that management would probably demand in exchange for measures that deal with displacement.

A small number of local union leaders more strongly supported EI and union-management cooperation, most prominently Mike McKinnon, a CAW staff member by the time of the plant visits. McKinnon was more willing than most Canadian unionists to consider management proposals to change work rules and classifications. He believed that, in some firms, modifying work rules will not erode workers' rights or raise work standards. McKinnon was also more ready than most Canadian unionists to share responsibility for the competitiveness of the employer and for some of the

corporate actions necessary to preserve that competitiveness. Acknowledging that unions have a hard time defending management, he said that there are still times when they "have to do that."

While union proponents of cooperation were more willing than other labor leaders to grant Budd some of the changes it wants, their vision of a "participative labor system" differed in critical ways from that implicit in managerial strategy. Managers saw new labor institutions as ways of creating a consensus that competitiveness should be the primary concern of workers and the union as well as management. McKinnon saw a developed participative labor system as one which provided the union with input into a broader range of areas without taking from it the right to disagree and to use its leverage to back up that disagreement.

In exchange for greater union cooperation to preserve competitiveness, McKinnon argued that the company should grant the union a role as a "full partner."

I don't know that Budd really knew what it was getting into when they got into...quality of working life...Equal partner in my view is an equal partner. That's full voice, it's not just a question of the steering committee. It's a question of, when we get up to the direction this company is going, I'm going to have a full say. I'm not saying I'm going to get my way, but...I'm going to disagree with you and my point of view is going to be taken to the membership or any place else. It's a full say in the moral direction the company's going. It's a full say in the effects it's going to have on the community...

The former president maintained that companies should not necessarily have the right to close a profitable plant because it fails to achieve management's target profit rate. "Somewhere down the road," he argues, the company

...would recognize that the rank-and-file are not only concerned about their profits and their wages...and the question of competitiveness. That the union...(would become) a question of talking about equity...to guarantee a balance...When things are unfair, you need the ability to say, 'hey, wait a minute, that's enough.'

McKinnon suggested that management needs to "learn to value disagreement." More open discussion of company practices and decisions may have hidden benefits for the company: by bringing worker concerns and frustrations to the surface, the union would increase the possibility of addressing those frustrations and reinforcing worker commitment.

While in office, McKinnon played an important part in initiating and sustaining changes in labor-management relations. His optimism about the possibilities of worker participation for its own sake and for protecting jobs made him willing to openly advocate EI. His vision of the union's role in a "full partnership" guided him in pressing management for changes in its approach and, behind the scenes, for investment in the Kitchener plant. McKinnon helped bring disagreements between company and union to the surface so that negotiations could focus on the source of that disagreement. Since his departure, negotiated work

reorganization had been held back because managers and union officials have not effectively communicated to the other side their priorities and what they will grant in exchange for their satisfaction.

Union proponents of further departure from traditional labor relations at Kitchener saw changes in four complementary areas as important to gaining support from skeptical union members and leaders. Three of these areas concerned organizational changes to reinforce "participative" management approaches: additional training for all levels of management in participative approaches; modification in the functional division of labor within middle management, which workers in problem-solving groups argue makes departments like engineering, quality and purchasing unwilling to share information, tools, and expertise; and modification in compensation and promotion systems that reward managers, including top plant management, based partly on the participative character of their actions. As long as plant managers remain unconvinced that corporate management demands a different approach, a power struggle to gain quick concessions and improve short-run profits remains an option. The final change advocated by labor supporters of cooperation at Kitchener was explicit attention to future job security. They expressed concern about Kitchener managers' limited control of investment. This restricted local managers'



ability to negotiate about the strategic decisions instrumental to job security at the plant.

In spring 1987, the union EI facilitator, a former skilled trades committeeman, began more actively pressuring for changes in these four areas. He wrote to top corporate managers and later submitted his resignation on the grounds that efforts at Kitchener had been too confined to the shop floor. The facilitator withdrew his resignation after meeting with the president of the Budd Stamping and Framing Division. In this meeting, the company committed itself to more extensive training for middle managers in participative management.

The facilitator then turned his attention to the union. He believed that it needed to "forget management" and think strategically about the problems it will face in the future, especially job loss. He maintained that the union should try to come up with proposals that address the job security issue but are pragmatic enough for management to consider. For example, he suggested the creation of a pool of workers to relieve other individuals who work on SPC projects. He felt that this would create a number of jobs, reduce the frustration of workers trained in SPC who want more time to use their skills, and help management to improve performance. The facilitator also argued that the union missed opportunities when management made its PEG proposal and in the Humidex incidents of summer 1988. Rather than reject the PEG proposal, he maintained, the

union should have tried to modify it in ways that met its own priorities, including an equal role in the program's supervision. He also felt that during the Humidex disputes that the union should have taken the initiative in searching for long-term solutions to the heat problem in the plant. Fear of being blamed for job loss or for an erosion in working conditions, he believed, underlay union hesitancy about taking a more active role. Both the union EI facilitator and McKinnon wanted the national union to provide locals with more assistance in thinking through their role in employee involvement and union-management cooperation.

In sum, both union proponents and opponents of expanding union-management cooperation at Kitchener would welcome a labor relations system which expands the development and use of worker skill and improves job security. What divided them was, first, their views of the consequences of retaining a fairly traditional system, and second, whether they believed recent initiatives represented a step towards a labor system that protects jobs and relies on skill. Proponents of cooperation feared that resisting change would drive the corporation to abandon Kitchener and other organized plants. Opponents did not accept that work rule changes and focusing on productivity and quality in small groups would necessarily save jobs. Some opponents also feared that such changes would weaken union solidarity and deprive the local of the

leverage to pressure the company to take worker and community concerns into account. One Kitchener official wondered:

How can we work in tandem with EI and still maintain our identity, keep our people loyal?...What I'd like to know in the end is what my role is...I would like to be able to think that the union is still powerful enough out there on the floor that when I go into (the plant manager's) office, I have a little power behind me...I would like to know that this union has the power--no matter where it comes from--to influence what happens. I'd hate to have some smart-ass in collective bargaining say, 'go ahead, go out on strike if you want, your membership won't support you.'

Job security and the future of the union at Kitchener depend on the simultaneous resolution of the problems foremost in the minds of proponents and opponents of EI. Can the local use a combination of accommodation and pressure to maintain employment while retaining a distinct role and hold on membership loyalty? Resolution of the union's dilemma will only come through internal debate within the leadership and the rank-and-file. Officials at Kitchener pride themselves on a tradition of getting disagreement "out in front of the membership." That tradition will be particularly important as the local negotiates with management and tries to avoid fragmentation of various kinds. The most likely split is between on the one side, informal leaders and more senior workers whose attitudes were formed in the bitter atmosphere of 1967-1974, and who might lose high paying incentive jobs or easier off-line jobs as a result of work reorganization;

and, on the other side, younger workers less hostile to management, some of whom are likely to adopt the perspective of WBCs after the next recession, and who might benefit from a restructuring of the plant's internal labor market.

### C. Future Patterns of Shop Floor Relations

Our studies of Budd-Detroit and Budd-Kitchener provide empirical support for the claim that the introduction of teamwork could produce a range of qualitatively different outcomes. Below, five alternative patterns of social relations will be drawn out of the Detroit and Kitchener cases and other plant-level studies. These span all four of the possibilities in P.K. Edwards' framework: a non-militant individualistic pattern, a militant individualistic pattern, stable and conflict variants of the militant collective pattern and the organizational pattern. The text below distinguishes the alternatives according to whether workers have an acquiescent or militant orientation towards employers; by the extent to which militance is expressed collectively; and by differences in the orientation and power of union officials, shop-floor leaders and supervisors that grow out of the variations in workers' militance and its collective expression. Later in this section, these five alternatives are collapsed into three on the grounds that the two collective patterns are not likely to prove economically

viable. For mnemonic reasons, the remaining possibilities--the non-militant individualistic, militant individualistic, and organizational patterns--are relabelled a subordinate union, autocratic, and negotiation model, respectively.<sup>318</sup>

In the non-militant individualistic, or subordinate union pattern, management achieves its goal of getting influential shop floor workers, peer pressure and union officials to support managerial goals. In this pattern, many team leaders would be would-be craftsmen (WBCs) attracted by the training, responsibility and possible career opportunities of these positions. Some team leaders would probably be individuals that have attributes of both informal leaders and WBCs. Getting these more social employees (including, at Detroit, some blacks) to buy into managerial goals would be valuable to the company because these workers have more influence on other workers than more individualistic WBCs.

At Budd-Detroit, along with the perception among WBCs that work reorganization might provide them with more challenging jobs, fear of job loss--and a growing

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<sup>318</sup> Two of these labels are taken from Robertson and Wareham 1987, which distinguish "human relations", "negotiation" and "autocratic" models of technological change. Turner 1988b introduces the term "subordinate union" (which we use in preference to "human relations") to describe the outcome of plant-level integration into management when competition among plants remains unregulated. The subordinate union, negotiation and autocratic models correspond to Leborgne and Lipietz's (1988) "Californian", "Saturnian", and "Neo-Taylorist" alternatives; and the first two also parallel the "weak union" and "strong union" models described in the work of Dan Luria.

conviction that plant profitability determines employment and income security--played the dominant role in moving plant relations towards the subordinate union pattern. Fully developed subordinate union patterns combine teams with the Toyota production system and use a more complex array of structural and ideological factors to persuade influential shop floor workers, peer pressure and union officials to support managerial goals. In these variants, work organization and shop floor operating practices combine with the prospect of promotion into management for union officials, the hope of better jobs for would-be craftsmen and at least partial guarantees of better job security for permanent workers to institutionalize support for managerial goals. Although their normative views of this pattern differ, its critics and proponents offer fundamentally similar analyses of how work organization, just-in-time inventory and labor relations interact to secure high levels of worker effort and cooperation.<sup>319</sup> Workers' participation in setting standards and "continuous improvement" of productivity and quality in "kaizen groups" institutionalizes firms' access to workers' knowledge hidden from managers in the past. "Standardized work" and the spread of assembly-line pacing in association with just-in-time inventory make it possible to raise the level of work effort.<sup>320</sup> Just-in-time and "andon lights" that

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<sup>319</sup> Writings by critics include Dohse et al. 1985, Parker and Slaughter 1988, and Parker 1989. Writings by proponents include Shimada and McDuffie 1987.

flash above work stations that fall behind raise the visibility of worker failure and the pressure to resolve problems quickly. The lack of absentee replacements in interdependent teams creates peer pressure to attend work and keep up on-the-job.

Given workers' non-militant attitude towards employers, subordinate unionism implies weak ties among competing locals.<sup>321</sup> The absence of strong ties across locals means that labor standards are not taken out of competition. As a result, the union's role in plant-level substantive dialogue degenerates towards that of a sophisticated personnel department. The union--like a good personnel department--uses its access to management to point out when there are ways of achieving managerial goals that also reinforce workers' commitment; and to point out

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<sup>320</sup> In theory, standardized work in the Toyota system requires workers to perform their job every time in precisely the manner that they have helped determine is most efficient. In practice, jobs are also standardized so that workers have fewer free seconds every minute (see the evidence in the next chapter). On the way just-in-time facilitates reproduction of machine pacing in off-line production, see Shaiken et al. 1986, 176-177 and the references cited therein.

<sup>321</sup> In this respect, too, we saw hints of a move towards subordinate unionism at the U.S. Budd plants. Here, work reorganization at Detroit and its sister plant in Philadelphia came about in part as the two locals competed for new investment. By the time Detroit heard of the initial teamwork-for-investment trade at Philadelphia, the agreement was a fait accompli. The diminishing contact between the two locals continues a 20-year decline in coordination across Budd and other parts locals since Detroit Local 306 mobilized for the creation of an IPS council.

when managers' actions are about to trigger counterproductive worker resistance. When market forces dictate shop floor or higher-level decisions that hurt workers in some way--speedup, dilution of seniority, reliance on temporary employees, layoffs, etc.--the union no longer aggregates workers to challenge those decisions collectively at the plant level; or beyond the plant-level (i.e. sectorally and politically) as part of an attempt to interfere with or redirect market forces. At managerialist non-union plants where personnel departments already provide workers with representation equivalent to subordinate unionism, the consolidation of such "managerialism with unions" would leave workers with no reason to vote union in representation elections.<sup>322</sup>

In a subordinate union pattern, management gains both workers' active cooperation and control of the purpose of shop floor teams and joint committees. In the militant individualistic or autocratic model of teamwork, management focusses on gaining control and, in the process, sacrifices significant worker cooperation. The Budd-Detroit assembly area in 1986 represents a step in the direction of the autocratic alternative. There the collapse of collective traditions in the last three decades left workers with little influence on working conditions or supervisory actions. Weak enforcement of basic seniority rights led to

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<sup>322</sup> The phrase "managerialism with unions" is adapted from Heckscher's (1988) chapter five title: "Managerialism: Participation Without Unions?"



a return of favoritism and punitive job placement. Management had twice been able to raise the output quota recently without sparking concerted resistance. Supervisors managed to achieve the new quota the second time by placing "Key Man", a latter-day pusher, on the bottle-neck in the line.<sup>323</sup>

Teamwork and the elimination of work rules in the autocratic model thus represent a retreat towards the highly individualistic and adversarial shop floor pattern of pre-union days. Workers' resistance is confined to covert and individual acts in the face of unrestricted supervisory authority. Workers' relations with supervisors and team leaders or other hourly deputies of management are hostile. The supervisor/worker ratio, counting hourly deputies of management as supervisors, is high. The union has almost no shop-floor presence. Full-time union officials would likely divide into those resigned to their powerlessness and others more actively in league with management for reasons of personal gain.

New technology and operating practices would make a modern autocratic pattern distinct from pre-union shop floor relations in some plants by increasing managerial control over the work pace. The potential of small group problem-solving combined with more training for hourly

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<sup>323</sup> Lichtenstein (1988 and 1989) raises the possibility that teamwork represents a reversion to the social relations of the pre-union era. He suggests that team leaders have a role that parallels pushers in that era.

workers would go unexploited, however. As often as not, in the North American auto industry, the sacrifice of worker cooperation in a modern autocratic pattern is likely to be unconscious. Zealous guarding of managerial prerogative and deeply-embedded autocratic traditions are likely to prevent many North American managers from recognizing the potential economic benefits of active worker cooperation in kaizen groups and other forums. Despite rhetorical claims to the contrary, exploiting workers' labor-market vulnerability to reassert more unilateral control is likely to be the only option that occurs to many U.S. managers.

Two militant collective outcomes of flexible work organization represent extrapolations of recent developments at Budd-Kitchener. In the stable collective variant, managers at plants with histories of collective action recognize that renewed conflict may result from either an attempt to intensify work and tighten shop-floor customs or to force through wholesale work rule changes and introduce the Toyota production system. In the short run, rather than try to move quickly towards either (or both) the autocratic or subordinate union model, managers choose to accept a stable collective pattern and negotiate incremental changes aimed at improving quality, productivity and the labor climate.

In the conflict collective pattern, despite histories of collective resistance from workers, managers attempt to unilaterally implement significant shop floor changes.

Various incentives might produce such an attempt: intense competitive pressure, the hope that quick performance improvements will impress superiors, or the prospect of permanently changing the power balance in the plant and simultaneously settling old scores with the union. As long as the local union retains ties to work groups through a network of informal leaders as well as a measure of collective confidence, however, unilateral action is likely to produce open shop floor conflict.

In most parts of the industry, the two collective patterns are unlikely to prove economically viable in the medium term. Plants with conflict collective patterns are particularly unlikely to achieve competitive productivity and quality levels. They may also lose contracts because managers or customers fear that work stoppages in the age of lower inventory levels will have costly repercussions. Plants with stable collective patterns might prove more productive, not only than plants with conflict collective patterns but also, in segments where quality and worker cooperation matter more than physical effort, than plants where militant individualism predominates. At the latter, such as Budd-Detroit, informal leaders are less visible than in plants with continuing collective traditions but worker views of the company still have an important influence on employee willingness to help improve productivity and quality. Managers may persuade themselves that workers accept work reorganization and support

corporate goals when discontent is simply muted. While union strength makes it more difficult for managers to change work organization and work practices, collective action and well-rooted unions also provide managers with information--and make it possible for them to address some of workers' discontent. In addition, the workforce confidence associated with collective traditions means that, when workers and union officials do support management (or negotiated) initiatives--such as the SPC program at Kitchener (at least until 1988)--the results can be quite impressive. Workers' collective capacity to resist speed-up and supervisory domination may also induce managers to look more earnestly for alternative, more innovative ways of improving performance.

The argument in the previous paragraph implies that plants with stable collective patterns may be competitive for some time. As long as changes in training systems and work organization designed to develop workers' skills and to tap their knowledge of production remain incremental, however, stable collective patterns will probably prove uncompetitive in the long run. Thus, if this pattern is not to collapse towards the subordinate union or autocratic model--and if a militant collective orientation towards employers is to survive in the North-American auto industry--it probably requires the evolution of a modern variant of Edwards' organizational pattern--i.e. of a negotiation model. The link between the emergence of a

negotiation model and the survival of a collective orientation among workers has two important corollaries. Since the preservation of strong, independent cross-cutting unions requires the existence of a collective orientation among workers, this also depends on the evolution of a modern organizational pattern. Second, since the creation of an inclusive pattern of development depends on the existence of cross-cutting unions to organize workers sectorally and politically, that also requires the evolution of a negotiation model.

As in the autocratic model, in the negotiation model managers do not obtain both control over the purpose of shop-floor and joint committee structures and the active worker cooperation that characterize a subordinate union pattern. In the negotiation case, rather than lose worker cooperation, managers concede significant control. As with skilled workers in the past, workers' collective strength and recognition of the economic importance of securing worker cooperation lead managers to negotiate arrangements that allow them access to workers' knowledge but take more account of workers' desire for economic security, skill development, autonomy and social space on the job. Here, as in the subordinate union model, team leaders would be part of the union. A different set of structural and ideological pressures, however, would make team leaders more an upward extension of the work group than a downward extension of management. Counting these and other hourly

"coordinators" as workers, the supervisor/worker ratio would be low.

A negotiation model could emerge out of at-first-incremental adaptation in a stable collective pattern at a plant such as Kitchener. Especially if supported by a national union strategy to accomplish this goal, it could also develop in militant individualistic contexts, such as Budd-Detroit, as work reorganization and the extension of problem solving in teams and higher-level committee structures become vehicles for expanding the "voice" role of younger informal leaders and for reestablishing their ties to the union. The Budd Wheel Department represents a more developed, informal, historical precedent for a negotiation model among production workers. The wheel operation included many of the features management would like to reintroduce today: a small number of broad job classifications; hourly "leaders" on each line and low ratios of hourly workers to first-line exempt employees; cooperation within and among classifications and between workers and supervisors in the event of downtime or change-over to another product; active efforts by workers to find ways of doing their jobs more quickly; peer pressure against workers who slowed down production; and informal substantive resolution of shop-floor problems. In the wheel, however, workers' willingness to slow down and act collectively in other ways led to substantive outcomes that partly benefitted workers on the job. Workers, for

example, shared the benefits of "informal kaizen" by finishing their quota an hour or more before the end of the shift. Stewards' participation in manpower scheduling gave workers greater flexibility regarding days off and vacations. Custom dictated that production stopped when the temperature inside the plant reached 90 degrees.

Workers' power to pressure supervisors in the wheel also produced a combination of pragmatic and more solidaristic cooperation between workers and supervisors. Supervisors identified with workers as much as managers. Informal leaders of the work group typically held these positions, not more individualistic "would-be craftsmen" or workers with aspirations of promotion into management.<sup>324</sup> The cohesiveness and worker solidarity in the wheel cut across race and sex lines and was less the result of managerial manipulation than the peer pressure created by eliminating absentee pools and installing andon lights. In a modern organizational pattern, the type of "balance" in informal substantive negotiation seen in the wheel would be complemented by labor-management problem-solving committees analogous to the steward-superintendent negotiations over outside contracting in the skilled trades historically. As well as company concerns, such committees would deal with issues of concern to workers such as ergonomics, training, displacement and the shop floor job structure itself.

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<sup>324</sup> Reflecting the social definition of worker world views, the work-group orientation of informal leaders was much more common than that of would-be craftsmen.

Three insights relevant to academic debates about work reorganization emerge from the previous analysis. The explicit recognition that work reorganization could produce a range of qualitatively distinct patterns of plant-level labor relations--including two that include active worker cooperation towards corporate goals--distinguishes the interpretation here from that of Katz (1985), Kochan et al. (1986 and 1988), Heckscher (1988), Osterman (1989) and Walton and McKersie (1985).<sup>325</sup> These writers imply that 1980s work reorganization at UAW-represented plants resembles what I have called a negotiation model. Their cross-referenced claims to this effect, however, rest on very little empirical foundation. None of these authors has conducted detailed historical analysis or extensive shop-floor interviews at individual plants. Without such microscopic case analysis (or cross-national comparisons), it is unclear how researchers could discover the variations in workers' orientations, actions and organization that differentiate the patterns described in the present study.<sup>326</sup>

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<sup>325</sup> Heckscher (1988) and, to a lesser extent, Kochan et al. (1986) describe industrial relations at sophisticated U.S. non-union firms in terms similar to the subordinate union model. They fail to follow up the implicit suggestion that, in unionized settings, worker commitment to company goals may take this form as well as a negotiated form.

<sup>326</sup> Surveys and less-detailed case studies might be more valuable for elaborating or assessing the prevalence of the various patterns once more grounded research has hypothesized their existence.

Research on work reorganization by industrial relations scholars seems oblivious to the fact that how events are described depends on who is doing the



Second, the identification of subordinate union and negotiation patterns challenges the nebulous Kochan et al. (1986 and 1988) claim that obtaining workers' cooperation on the shop floor requires management to pursue "internally consistent" strategies at each tier of the industrial relations system. While both these patterns include workers' cooperation toward corporate goals on the job, workers are likely to react very differently to the same management actions depending on which pattern exists. Consequently, the meaning of "internally consistent"--and what management can do without sacrificing cooperation on the shop floor and at the other two levels of the IR system--varies depending on context. At Budd and elsewhere, one of the prime goals of managerial communication efforts is to enlarge the range of actions that workers accept as necessary to competitiveness--and, by doing this, to expand the range of actions that management can take without provoking withdrawal of cooperation.

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describing. In particular, team leaders, managers and union officials within subordinate union patterns of shop floor relations may describe plant life in terms that recall the negotiation model. This is especially true if, like pro-cooperationists at GM, they have been attacked for being enterprise unionists. The dependence of perspective on the position of the interviewee means that the academic equivalent of "official source journalism"--research that relies heavily on interviews with official labor and management sources, especially if selected based on their support for "innovative work experiments"--cannot be relied on to provide empirically accurate assessments of shop floor developments.

The claim that the meaning of internally consistent varies with context does not deny there there is a connection between the form and substance of management's actions and workers' willingness to contribute ideas and effort to improve performance. It suggests only that this connection is mediated by how managerial actions are interpreted by workers, and by worker and union understandings of the choices open to them. Worker understandings, in turn, are a function of past and present patterns of shop floor relations, the political and economic context, and of management and union strategy. The influence of the "exogenous" context on the consistency of managerial actions at the strategic, bargaining and shop floor level of Kochan et al.'s three-tiered industrial relations system underlines that even this is not a closed system and needs to be understood as part of a sectoral or national pattern of development.

A weaker and more defensible version of industrial relations scholars' claims about internal consistency might be that a subordinate union model of cooperation will be difficult to consolidate in the North America historical and cultural context, especially in older unionized plants where industrial unions were once strong. An argument along these lines might emphasize that the distrust of management left behind by adversarial unionism makes workers' withhold cooperation if they perceive teams and joint committees as addressing only management's problems;

or if they perceive that local union leaders have adopted a subordinate union perspective and been coopted. The accuracy of the claim that subordinate unionism will not prove stable in North American sectors once dominated by industrial unions, however, cannot be assumed but must be empirically demonstrated.

Third, recognizing the role stewards (and worker-allied supervisors) had in helping management in organizational patterns of shop floor relations clarifies an analytical confusion in the disagreement between critics of labor-management cooperation such as Lichtenstein, Parker and Jefferys and mainstream industrial relations scholars such as Kochan et al. The argument of Parker et al. against "labor-management cooperation" sometimes seems to be that the union should avoid taking any responsibility for improving performance. In organizational patterns that Parker describe favorably (and call "steward systems"), however, stewards and worker-allied supervisors took some responsibility for improving performance in order to protect conditions that benefitted workers from being dismembered by upper management.<sup>327</sup> Thus, the real disagreement between critics and proponents of labor-management cooperation is not about whether unions, in the

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<sup>327</sup> The name steward system itself obscures the interchangeability of the steward and worker-allied supervisory role in organizational patterns and, in the process, the fact that stewards in some contexts manage production in a way that helps the company achieve its goals. Tolliday and Zeitlin (1986, 106-107) make a similar point.

abstract, should want a role in management but about whether, in today's political and economic context, a role in management is likely to expand workers' autonomy or lead to labor standard whipsawing. Critics of cooperation such as Parker believe that subordinate unionism is the likely outcome of work reorganization, especially if it is not accompanied by union mobilization at the industry and political level. Kochan et al., on the other hand, display implicit faith that U.S. workers are combative enough to reject subordinate unionism almost regardless of the political and economic context. The plant-level section of chapter 12 contains an empirically-informed analysis of the structural, ideological and strategic pressures towards subordinate union, autocratic and negotiation models in the U.S. and Canada.

**PART IV.**

**CONCLUSION**



CHAPTER 12: IF NOT NOW, THEN WHEN?A. Regulatory Institutions and Inclusive Development

In recent papers, Sengenberger (1988) and Streeck (1989) both argue that what I have labelled an inclusive pattern of development requires a network of rules and institutions that make it more difficult for corporations to compete at the expense of workers and communities and simultaneously make it easier for firms to pursue consensual, skill-intensive strategies. Without non-market, institutional or cultural constraints to prevent it, competition inevitably drives firms to cut wages, intensify work, and outsource or relocate production to take advantage of low wage or vulnerable workers.<sup>328</sup> Without institutional support for business strategies founded on individual and collective skills, firms in trouble will more quickly seek to break or circumvent public and private constraints on their actions. In Sengenberger's words, "Regulation is potentially much more effective if disincentives which foreclose certain paths...are combined with incentives for particular desirable action...".

The argument of this dissertation comes down to the claim that competition in the U.S. auto sector is so far

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<sup>328</sup> Streeck 1989 provides an extended argument about why markets by themselves will not create social and political conditions conducive to what he calls "diversified quality production."

producing a segmented, socially destructive pattern of development because it does not take place within a "sufficiently developed" network of constraints on employers and institutions for promoting socially consensual business strategies. This segmented pattern threatens to institutionalize unregulated wage competition outside the industry core and competition based partly on work intensity and compliance with management within the core. In part, because of the autocratic and Taylorist traditions of U.S. managers, a U.S. segmented model might rely more on outsourcing and production relocation--and less on labor-management cooperation within a "subordinate union" core--than the Japanese structure on which it is modelled. In Canada, by contrast, the prospects for forging a stable, inclusive pattern of development are somewhat greater.

The divergence observed between the U.S. and Canada owes something to the relative strength of the constraints and opportunities faced by firms in each country under Fordism. More important than the marginally stronger institutional residue left by Fordism in Canada has been the influence of that structure on the unity and mobilization capacity of the CAW and UAW and of the U.S. and Canadian labor movements. In the early 1980s, the distinct traditions and structure of the Canadian UAW led it to resist what it interpreted as a management attempt to sweep aside the wage and work rule restraints inherited



from Fordism. With the help of fortunate economic conditions, mobilization and strikes against bargaining concessions and in favor of political protection for workers reproduced and strengthened the union's confidence, cohesiveness and prominence. Although the FTA and the long-run expectation of employment decline make the possibility of segmentation within the Canadian auto industry substantial, the organizational strength of the CAW and the political power of the CAW and its allies also make it conceivable that they will be able to construct what Streeck calls the "exo-skeleton" in a progressive pattern of development: industry-wide, regional, and national structures external to firms that will lead employers to seek workers' cooperation on-the-job through negotiation rather than bleed unionized Canadian plants of investment until workers agree to cooperation on management's terms because that is the only way to attain employment security.

In the early 1980s in the U.S., the greater fragmentation and more bureaucratic traditions of the UAW and the U.S. labor movement combined with more severe economic conditions to produce a tactical retreat. Thus, UAW leaders in the 1980s agreed to the elimination of work rules--"inefficient, outdated" constraints on management according to some observers--and helped to establish plant- and company-level institutions for encouraging the development and use of workers' skills as an alternative

to low wage strategies. In the core of the industry, these arrangements have been accompanied by job security terms that protected against rapid, wholesale layoffs. In certain plants and among certain work groups, job security and labor-management cooperation develop and use the workers' knowledge that would form the heart of diversified quality production in an inclusive pattern of development. The lack of more comprehensive restraints on managerial action--and the almost non-existent state or sector-wide support for training, labor market adjustment, and industrial development--restricts labor-management cooperation to subordinate local unions (and non-union transplants) in what Streeck calls "islands of excellence."

More significant than the dynamics of competition at this transitional point, UAW strategy in the 1980s has created additional obstacles to future attempts to create the missing pieces of a U.S. inclusive pattern. The intensification of competition among companies and plants--and the retreat from political mobilization--have further undermined confidence among local officials and workers that they can protect themselves in any way other than improving plant-level performance. Declining union presence on the shop floor has further diminished the core of activist independent union supporters essential to mobilization at the sectoral and political levels. Finally, the limited inclination of subordinate local

unions to defend workers whose objectives run counter to short-run corporate objectives may be corroding labor's visibility and reputation in the community at large--not least among workers at non-union parts and Japanese-owned assembly plants. Together with the still growing inequality between core union and non-union employees, this will compound the UAW's organizing and political difficulties. Thus, while the prospects for creating an inclusive pattern of development depend on overcoming divisions among workers, strengthening worker commitment to independent unionism, and on solidifying labor's place in society, the move towards subordinate plant-level unionism in the U.S. does the opposite.

The remainder of part IV analyzes in more detail the extent of U.S. and Canadian auto sector evolution towards a segmented or inclusive pattern of development. Section B looks at the rise of foreign, low-wage, and non-union competition in the parts and assembly sector. Section C, the core of the chapter, builds on the Budd case study and other available evidence to explore the implications of plant-level reorganization for workers and for the union's role in the industry and society; section D looks beyond the plant and company to sectoral policy, regional and national politics.

## B. Low Wage Foreign and Domestic Competition

One of the defining distinctions between what Leborgne and Lipietz (1987) call the "liberal productive" [segmented] and "alternative" [inclusive] patterns of development concerns the basis of competition and the geographical concentration of production. In the segmented pattern, Leborgne and Lipietz anticipate substantial decentralization of production to low wage, non-union areas and countries. In the inclusive alternative, they expect more concentrated production in dynamic, high wage regions due to emphasis on skill and cooperation in and among firms, broad adoption of just-in-time inventory methods and rapid product and process evolution. Evidence on import trends and the domestic U.S. industry indicates that, while both trends exist, low wage competition is becoming increasingly important in substantial segments of North American auto production. Low wage competition is less entrenched in Canada than the U.S.

### i. Overseas Competition

The share of the U.S. and Canadian passenger car market held by Japanese imports stabilized at slightly over 20 percent in the 1980s as a result of the VRAs, the fall in the value of the U.S. and Canadian dollar against the yen, and the construction of Japanese assembly facilities in North America (Auto Directorate, 8/89). Imports and the integration of the global auto industry, however, continue

to place all segments of the North American industry under extreme pressure. Two new import trends in the 1980s are particularly relevant to the future structure of the North American auto labor market: the growth of sophisticated parts imports; and the first significant imports from low wage, newly-industrializing economies (NIEs). Engineering-intensive IPS firms and Big Three component plants have lost market share as the Big Three scour the globe for the highest quality, most innovative versions of critical components; and as Japanese assembly plants ("transplants") ship many of their higher value-added parts from Japan (Howes 1989). Reflecting these two trends, net import penetration into the U.S. market in a group of eight major parts auto categories grew from 2.1 percent in 1982 to 11.5 percent in 1987, excluding Canada. Europe and Japan accounted for 3.5 and 5.9 percent, respectively, of the 1987 figure (table 26 in Herzenberg 1988).

Most imports from NIEs supply the Big Three directly or indirectly and include small cars, labor-intensive components, and some sophisticated components. Most U.S. small car imports from NIEs came from South Korea and Mexico: 456 and 148 thousand units in 1988, respectively. Mexico accounts for the lion's share of the 3.4 percent net auto parts import penetration from NIEs. There are two branches within the Mexican export industry: transportation Maquilas that first produced wire harnesses but now produce a wider range of somewhat more capital-intensive parts and

employed 93,656 workers in November 1989 (compared to 7,500 in 1980, 29,170 in 1984 and 59,278 in 1987)<sup>329</sup>; and high tech engine and assembly plants built predominantly in the north of Mexico in the 1980s. In 1988, Mexico exported over 1.4 million engines, the vast majority of them to Big Three assembly plants in the U.S. and Canada.

While wage increases, labor problems and changes in the value of the won have led to a decline in the in Korean vehicle exports in the last two years, Mexican vehicle and parts exports will probably expand rapidly. Although the construction of high tech Mexican engine and assembly facilities was initially spurred by local content decrees, the success of the early export plants has led major auto companies to view expansion in Mexico as an increasingly important component of their overall competitive strategy.<sup>330</sup> The December 1989 Mexican Auto Decree provides an additional inducement to build export production in Mexico. Beginning in 1991, the decree permits Mexico's five major automakers--Chrysler, Ford,

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<sup>329</sup> According to the UAW's Washington office, GM has more employees in Mexico than any other private employer.

<sup>330</sup> Detailed case studies of an advanced Mexican engine plant and an advanced assembly plant indicate that Mexican productivity levels are comparable or better than similar U.S. plants operated by the same parent company (Shaiken with Herzenberg 1987; Shaiken 1990). Indeed, the assembly and stamping plant produced the highest quality car manufactured by the firm in North America. The car is virtually tied for first place in the quality rankings of all sub-compacts sold in the United States, surpassing many better-known Japanese rivals.

General Motors, Nissan, and Volkswagen--to import 15 to 20 percent of the cars they sell in Mexico if they sustain required trade surpluses. The trade surplus requirements mandate that the companies achieve net exports of \$2.50 for every \$1 worth of imports. This requirement drops to \$2 in 1992 and 1993 and \$1.75 in 1994. Recently, a number of auto makers have announced significant expansion plans for Mexico. Nissan reportedly plans to invest \$1 billion in Mexico over the next five years. Forty percent of that will go into a 200,000 unit-year assembly plant. All of the other companies have expansion plans.

The sourcing of sophisticated components, mid-size autos and luxury cars from Japan and Europe; and of smaller cars and an increasing range of parts from NICs, especially Mexico, creates the possibility of a pincer movement that closes the range of production in which traditional U.S. plants can compete effectively.

#### ii. The IPS Sector

While imports are part of the context in which the U.S. and Canadian industries are restructuring in the 1980s, the strongest evidence that they are restructuring in different ways comes from their domestic independent parts sectors. In the U.S., the deunionization of the IPS sector and the complete collapse of the U.S. pattern bargaining structure have produced wage dispersion that may already exceed that of the Japanese industry. In Canada,

the CAW at least temporarily turned back the non-union tide and growth of wage dispersion in the 1980s. Opinions differ as to how much restructuring in the IPS sectors has stimulated dynamic alongside wage competition.

Chapter 5 documented the rise in the union/non-union wage differential in the 1970s in the U.S., the "demonstration" effect of new, non-union plants and the resulting decline in UAW coverage in the IPS industry. As the non-UAW IPS segment and union/non-union wage differential increased, they set up a self-reinforcing competitive dynamic (Rogers 1989, 42 and 47). Together with the 1980s recession and the major automakers' reexamination of their supplier relations, this dynamic resulted in a decay of U.S. IPS coverage from above 60 percent in the mid-1970s, to below one third by 1988 (chapter 5, table 10).

By 1988, IPS companies such as Budd, where the UAW had been most entrenched, almost all had at least one non-union plant. An almost complete deunionization of the parts sector over the next 10-15 years will result if these companies replicate the actions of the likes of Dana Corporation over the last decade. Dana, substantially organized in 1978, is now predominantly non-union. Despite quadrupled sales and stable employment from 1978 to 1988, Dana's UAW membership shrank from 12,000 to 5,000 between 1978 and 1987 (UAW PR 1989, 52). In mid-1987, when Dana announced its plans to close its remaining unionized



facilities and shift all its production to small non-union plants, Dana's chairman explained this move in terms of relative wage costs:

...you cannot (achieve) a level of competitive productivity that is high enough to sell labor that is costing \$23 U.S. an hour in the global economy. Today, you can't sell it in the domestic economy either. I don't care how many...robots you throw at the problem (Hamilton Spectator 1/27/87).

The construction in the U.S. of 120-200 new, non-union, Japanese-owned suppliers also began to cost UAW suppliers jobs in the second half of the 1980s.<sup>331</sup> In addition to new equipment, carefully selected workforces, and the adoption of modern operating practices, these and other new plants save as much as \$10 per hour in benefit costs compared to established plants with older workforces (and thus higher health costs) and high retiree-to-active-worker ratios.<sup>332</sup> The parts sector excess capacity resulting from Japanese investment means that unless there is a sudden wave of new organizing, union coverage in the U.S. parts industry is likely to fall further in the next recession.

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<sup>331</sup> This estimate of the number of Japanese auto parts plants in the U.S. is based on a September, 1989 survey of all Japanese-owned manufacturing plants in the U.S. by the Japanese External Trade Organization (JETRO). These plants employ somewhere between 20,000 and 40,000 workers (details of how these estimates from the survey are available from the author). Miller (1988) puts the number of actual and announced Japanese auto-parts plants through 1987 at 135 in the U.S. and 17 in Canada.

<sup>332</sup> Howes 1989, 29-30. Based on an analysis of what they produce and their wage and benefit costs, Howes argues that movement of U.S. parts production to greenfield sites represents low wage rather than more dynamic competition.

In Ontario in the 1980s, the fraction of workers covered by collective agreements climbed back to its mid-1970s level (table 12.1). Within Ontario, few of the major independent suppliers have tried the "double breasting" strategies now virtually universal in the U.S. In addition, the CAW has enjoyed great organizing success in auto parts as well as other sectors in the last dozen years, especially since 1986. Between 1985 and 1988, the CAW organized over 150 units and 17,000 workers.<sup>333</sup> In 1989, counting newly-affiliated A.G. Simpson workers (see the next paragraph), units organized since 1977 accounted for an estimated 28 percent of the 16,333 CAW members (plus 822 UAW members) in Ontario within Canadian SIC code 325 (auto parts and accessories); units organized since 1986 accounted for about 15 percent of 1989 CAW plus UAW membership in SIC 325.

By mid-1989, after 1700 A.G. Simpson workers formerly organized into an independent union voted to join the CAW, the bulk of non-union auto parts production in Ontario was accounted for by Magna corporation.<sup>334</sup> In 1988, Magna employed 13,000 people, most of them in Canada. In early 1988, the CAW gained its first Magna contract at the company's HP Automated Processes plant which employs 47

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<sup>333</sup> Compare this to the totals for the U.S. between 1986 and 1989.

<sup>334</sup> In addition, as of 1988, the CAW had not organized any of the 17 Japanese transplant suppliers in Canada. If these employ the same number of workers as typical Japanese facilities in the U.S, they account for 3,000-4,000 workers (only some of which would fall in SIC 325).

TABLE 12.1: COLLECTIVE BARGAINING COVERAGE IN THE ONTARIO AUTO PARTS SECTOR

| Year   | ALL EMPLOYEES PAID BY THE HOUR, BY SECTOR (1000s) ONTARIO WORKERS COVERED BY COLLECTIVE AGREEMENTS |   |   |  |   |   |   |   |                                |                               | PERCENT OF HOURLY EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS |                 |                 |       |      |
|--------|--|---|---|--|---|---|---|---|--------------------------------|-------------------------------|--|-----------------|-----------------|-------|------|
|        | SIC 323 Transport Motor Vehicle Assembly (1000s)   | SIC 3233 Motor Vehicle Assembly (1000s) | SIC 324/3 Truck Body & Parts Assembly (1000s) | SIC 325 Auto Parts & Accessories (1000s) | RW ASSEMBLY # of Employees Agreed-Covered (1000s) | OTHER SIC 324 # of Employees Agreed-Covered (1000s) | OTHER SIC 325 # of Employees Agreed-Covered (1000s) | ALL TRANSPORT # of Employees Agreed-Covered (1000s) | SIC 323A ALL TRANSPORT (1000s) | SIC 324/325 TRANSPORT (1000s) | ALL TRANSPORT (1000s)  | PERCENT COVERED | PERCENT COVERED |       |      |
| 1975   | 144  | 25.5                                    | 15.3  | 35.8                                     | 76.6  | 19  | 54.3  | 25  | 3.4                            | 106                           | 22.2   | 200             | 92.4            | 114.5 | 62.6 |
| 1976   | 150  | 28.7                                    | 16.6  | 44.3                                     | 89.5  | 19  | 54.8  | 24  | 3.1                            | 103                           | 22.0   | 186             | 92.7            | 72.7  | 58.1 |
| 1977   | 149  | 31.8                                    | 13.6  | 48.2                                     | 93.7  | 19  | 54.8  | 23  | 3.1                            | 106                           | 21.6   | 199             | 90.2            | 63.6  | 55.0 |
| 1978   | 156  | 33.9                                    | 14.1  | 50.0                                     | 96.1  | 19  | 55.0  | 24  | 3.0                            | 107                           | 22.1   | 201             | 91.1            | 58.1  | 51.7 |
| 1979   | 165  | 33.7                                    | 15.5  | 52.8                                     | 102.0   | 19  | 54.8  | 23  | 2.9                            | 111                           | 22.6   | 204             | 91.0            | 54.0  | 46.9 |
| 1980   | 167  | 26.4                                    | 13.8  | 41.4                                     | 81.6  | 19  | 54.8  | 23  | 3.1                            | 109                           | 22.2   | 202             | 92.3            | 94.2  | 47.6 |
| 1981   | 164  |   |   |  |   | 19  | 52.3  | 23  | 3.2                            | 107                           | 20.5   | 201             | 89.0            | 52.4  | 42.4 |
| 1982   | 153  |   |   |  |   | 19  | 52.2  | 24  | 3.4                            | 107                           | 19.3   | 205             | 90.0            | 57.7  | 47.7 |
| 1983   | 147  | 28.2                                    | 8.9   | 41.7                                     | 78.8  | 19  | 52.2  | 22  | 2.7                            | 106                           | 18.0   | 200             | 88.4            | 78.2  | 53.2 |
| 1984   | 150  | 33.0                                    | 8.6   | 48.0                                     | 89.7  | 18  | 52.6  | 22  | 2.5                            | 106                           | 18.1   | 205             | 88.6            | 55.6  | 51.0 |
| 1985   | 154  | 31.7                                    | 11.0  | 48.0                                     | 90.7  | 17  | 53.1  | 17  | 1.9                            | 125                           | 21.6   | 214             | 92.7            | 62.5  | 53.5 |
| 1986   | 159  | 34.7                                    | 11.0  | 50.5                                     | 96.2  | 21  | 53.1  | 19  | 1.9                            | 126                           | 22.4   | 220             | 93.8            | 56.6  | 58.8 |
| 1987   | 153  | 31.9                                    | 12.2  | 52.0                                     | 96.1  | 21  | 53.1  | 20  | 2.1                            | 141                           | 25.4   | 235             | 95.5            | 64.3  | 61.2 |
| 1988   | 153  | 34.3                                    | 14.6  | 53.2                                     | 102.1   | 20  | 52.3  | 19  | 2.4                            | 142                           | 26.1   | 235             | 95.7            | 57.1  | 61.2 |
| 1/1989 | 154  | 30.9                                    | 15.9  | 56.8                                     | 103.7   | 19  | 62.4  | 19  | 2.8                            | 155                           | 28.7   | 248             | 108.6           | 76.4  | 76.0 |

NOTES:

- Revised and "consistent" data for employment in the Ontario transport sector as a whole provided by Statistics Canada, Household Survey Division, Labor Force Survey.
- Except as noted in 1, Ontario employment of "employees paid by the hour" by sector in the table is an adjusted three-month (usually January-March) average. Raw monthly data is reported in Labour Canada, Employment, Hours and Earnings, various months. For 1983, when the survey method was changed in March, the raw figure used was a March-April average. The "1989" average is really September-November 1988. Creating a consistent employment time series from the raw data is complicated by changes in Canadian survey methods introduced in 1983, 1986 and 1987. The most significant survey changes in 1983, sought to improve coverage of small- and medium-sized firms. To link the series across years in which business survey methods were used, adjustments were made based on linkages calculated from brief periods in which old and new survey methods were both used. The link of pre- to post-1987 data was based on data collected from 10/86-3/87; the link of pre- to post-1986 data was based on data collected in 1/86; the link of pre- to post-1983 data was based on data collected in 3/83. Each linkage factor was used to inflate employment in earlier years, not to deflate employment in years when more comprehensive survey methods were used. On average (although not for all individual years—see note 9), the figures in the last two columns are conservative estimates. National data not Ontario provincial data was used to calculate the numerical links. Ontario accounts for 90 percent of Canadian auto employment.
- Employment in SIC 324 is not reported for Ontario, even as a residual, after 1983. The table estimates the number of Ontario employees paid by the hour in SIC 324 by multiplying the national figure by 0.9.
- Collective bargaining agreements data as of 3/1 each year obtained from the Ontario Ministry of Labor (OML).
- SIC employment data for Canada are product-based—e.g., a Big Three engine plant would be counted as SIC 325. On the other hand, all Big Three workers covered by collective agreements are counted by the OML as within SIC 323 (the exception in 2/89 was 73 GM workers in SIC 325—over 59 thousand GM workers were put in SIC 323). If it was allocated on a product basis, almost all Big Three employment would fall within SIC 323-325. Using this aggregate one can estimate the percentage of workers covered by collective agreements in the auto sector minus MV assembly (see note 6).
- The Percent of Hourly Workers Covered by Collective Agreements in an aggregate of SICs 323A, 324, 325 minus MV Assemblers estimated as the number of workers covered by Collective Agreements in SICs 323A, 324, 325 times 100 divided by (employees paid by the hour in SICs 323A, 324, 325 minus the number of workers covered by collective agreements in what the OML calls "SIC 323 covered by CBAs in motor vehicle assembly")/((transport sector employment \* 0.92) - employees covered by CBAs in motor vehicle assembly).
- At the OML, figures for "employees covered" under each agreement are typically revised only when a new collective bargaining contract is negotiated (and, even then, with a 1-6 month lag); some numbers for employees covered may also include workers that are on leave). These two effects mean that the percent of workers covered by collective agreements will be too high in MV assembly early during a recession and too low during a recovery or a new organizing drive. The same results may obtain in the parts sector, the recession effect operating through a reduction in the denominator of the last two columns and the slow adjustment of the numerator. In the second-to-last column in the table, it seems likely that the high levels of coverage in 1975, 1980, 1983 and, to a lesser extent, 1989, are partly the result of a "recession effect." The low levels of coverage in 1986 and 1988 may represent a "recovery effect"—i.e., delayed reporting of increases in employment in the Big Three that failed to fully reflect the denominator. The size of the rise in union coverage in 1989 may also represent delayed reporting of some of the union organizing successes in the second half of the 1980s.

people.<sup>335</sup> Magna's owner Frank Stronach has shown signs of moderating his anti-union stance, in part because of his Liberal-party political ambitions.<sup>336</sup> How this moderation will balance against the pressure resulting from the companies recent financial difficulties and from the passage of the FTA remains to be seen.

As well as Canadian labor law, and a more generous social wage and equal income distribution that reduce the cost of job loss, the CAW's organizing success--exceptional even by Canadian standards--suggests that union-specific factors played a role in reversing the non-union growth in the Canadian IPS sector. Foremost among these factors were the union's success at protecting the wages and working conditions of its existing IPS workers; the occasional use of CAW leverage with the Big Three to prevent loss of business by independent parts locals to non-union plants; heavy emphasis on organizing; and the union's visibility.

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<sup>335</sup> Although it is now retrenching somewhat, Magna's sales grew at a phenomenal annual rate of over 29 percent (in nominal terms) between 1978 and 1986. The CAW actually organized a Magna plant in 1978 but failed to get a first contract. As part of the political campaign for legislation of the Rand formula, the Canadian UAW had pledged not to sign any contracts which did not include such a provision. Magna's owner refused to sign such a clause and moved equipment from the organized plant to another location. After picketing outside their empty facility for some time, the workers decertified the union. <sup>336</sup> Stronach was running for Federal MP when the CAW organized HP. Moreover, although that campaign began with workers inside the plant contacting the CAW, and surprised the company's managers, Stronach and the CAW began negotiations several months earlier on the possibility of the company helping the union organize one or two plants on an experimental basis.

Canadian parts sector unity was fostered before 1980 by employment growth, semi-annual IPS council meetings and the geographical concentration of Canadian production. In the early 1980s, it was bolstered by the fight against concessions. Since then, it has been sustained--and the threat of non-union competition directly diminished--by periodic use of CAW leverage with the Big Three to discourage parts firms from going non-union. When Dana announced plans to close its remaining union plants, for example, the CAW said it would refuse to handle parts coming out of new "scab" plants. In Canada, Dana at least temporarily abandoned its plans (Gindin 1988; Slaughter 6/6/87). When Chrysler sought to outsource seat production to Magna--partly in response to health and safety disputes in Chrysler's Windsor facilities--CAW Local 444 threatened to refuse to handle Magna parts. Chrysler kept the work in-house.

With regard to organizing, the CAW doubled its organizing staff after the split with the UAW by appointing 10 local union members (including two from Budd-Kitchener), as temporary organizers. The CAW emphasized organizing in response to the threat posed by Magna and other non-union plants, and in response to heavy demand from in-plant contacts in small plants. These workers' eagerness to join the CAW stemmed from the union's visibility after the split with the UAW; and after the Newfoundland fishermen defected to the CAW from the United Food and Commercial Workers

(UFCW) because of the latter's less democratic character. Workers in Ontario increasingly saw the CAW as a union that both could and would protect them.

Bargaining trends in the U.S. and Canadian IPS sectors mirror the divergence in unionization trends. In the U.S., the notion that even large independent parts firms should earn pattern wages and benefits has been largely abandoned. In some IPS firms, the UAW has supported long strikes when aggressive managers demanded deep concessions from militant local unions (UAW PR 1989, 52-54). More generally, the UAW has recognized the vulnerability of suppliers and that, according to UAW Vice-President Odessa Komer, independent parts suppliers don't have control over their own destiny.<sup>337</sup> To accommodate supplier long-term planning needs, especially in light of Big Three desire to establish long-term contracts with first tier suppliers, the union has signed a number of agreements for four or five years. This usually put them out of step with the Big Three bargain. Recent parts contracts in the U.S. have contained no wage increases. Lump sums have been taken in some cases in lieu of cost-of-living allowances. While seeking to improve job security, the UAW has accepted that parts companies are not in a position to match Big Three job guarantees. Instead, it has sought to obtain information

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<sup>337</sup> Unless otherwise referenced, the information on IPS bargaining trends in the rest of this paragraph comes from Kertesz 1988, an article based on an interview with the UAW Vice-President in charge of the IPS department, Odessa Komer.

regarding long-term plans and to negotiate capital spending increases (UAW PR 1989, 54; Kertesz 7/18/88). Consistent with the Budd case, Luria (1987) claims that U.S. parts firms have also started to accept wholesale changes in work organization.

One story circulating in the U.S. tells of a local parts plant leader who took out a contract book, put it across a table to a management representative and said: "See this book. Take out the pages you don't want and give it back to me and that's your contract." Apocryphal or not, it provides a flavor of the pressures faced by local leaders, especially at older plants in inner-city areas where alternative employment prospects are dismal. The more IPS local unions accept lower wages than the Big Three--and lower the "threat" effect in non-union independents--the more difficult it will become for the UAW to keep GM, Ford and Chrysler component plants in the assembly plant wage and job security pattern.

In Canada, the Budd case and other anecdotal evidence indicates that new organizing and the collective confidence of the IPS section of the union have bolstered the Ontario wage and benefit pattern in first-tier suppliers. By 1987 and 1988, IPS company negotiators stopped trying to impose U.S. "model" agreements on Canadian plants. In major plants such as Hays-Dana and Rockwell, the union achieved higher base wages and improvements in pensions that approach those won at the Big Three. In contrast to the

U.S., union negotiators say that at some of the major Canadian independents in 1987 and 1988, rather than the company writing the contract, "we wrote the contract." Heavy demand and the implementation of just-in-time delivery gave the union the power to decide what lid to put on wages and benefits to avoid jeopardizing the long-term future of its locals. At least before the passage of the free trade agreement with the U.S., while longstanding organized employers in the U.S. felt that they had no choice but to avoid the UAW in their new plants, recent CAW successes had led Canadian organized employers to ask the union, "when are you going to organize Magna?" (interview with Buzz Hargrove, Administrative Assistant to Bob White, 5/86). Canadian managers accepted that they could not bargain for concessions or circumvent the CAW to "level down" wages.<sup>338</sup>

Whether the FTA will alter bargaining attitudes and outcomes in Canadian suppliers remains to be seen. Despite union optimism, the strength of pattern bargaining in the Canadian IPS sector remains highly dependent on confidence at individual locals. Constraints on wage and work standard whipsawing within Canada have very limited institutional support. A stable regulatory structure that preserves high wages in parts firms in Canada will probably require more structural limits on low-wage competition;

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<sup>338</sup> In response to CAW organizing efforts, Magna has reportedly raised wages at a number of its plants.



IPS-wide institutions for promoting skill development and the technical dynamism of small and medium-sized employers; and the strengthening of the Canadian social wage and active labor market policies.

iii. The Domestic Assembly Sector

As a result of the construction of transplant assembly facilities by the major Japanese automakers in the 1980s, non-union production has made its way into U.S. auto assembly plants for the first time since GM's Southern Strategy. At one level, the transplants raise questions about the UAW's ability to prevent wage and benefit competition from spreading from the periphery to the core of the industry. At a more fundamental level, the transplants raise questions about the union's ability to carve out a place for itself within a flexible work organization. The discussion of transplants thus provides a bridge from our discussion of low wage competition in the parts sector to the analysis in the next section of the redefinition of the union's role within Big Three plants.

In North America by 1992, transplants including joint ventures with U.S. firms are expected to account for about 2.7 million units of capacity and almost 30,000 employees (UAW PR 1989, 178-180). Either because they bargain with the UAW or because of the union "threat" effect, these plants pay hourly wages within a few percent of those at the Big Three. They have much lower benefit costs because

they have younger workers and no retirees (Howe 1988). The currently non-union U.S. transplants employed 13,000 employees as of August 1990 (Patterson 8/29/90). They are expected to account for close to 1.4 million units of capacity in 1992. In Canada, the non-union Toyota, Honda and Hyundai plants are expected to account for about 4,000 hourly employees and almost 1/2 million units of capacity by 1992.

Both the UAW and the CAW made tactical decisions to accept Japanese work organization as a way of gaining recognition at U.S.-Japanese joint ventures. The UAW negotiated a team concept agreement with the GM-Toyota, NUMMI plant. It also gained neutrality clauses and then recognition from the Mazda-Flat Rock facility (which produces some cars for Ford) and the Mitsubishi-Chrysler, "Diamond Star" joint venture. In July 1989, the UAW represented 7221 members at these plants (Landis 7/28/89).<sup>339</sup> In Canada, the CAW negotiated a team agreement with Canadian Motors Incorporated (CAMI), a GM-Suzuki joint venture.

Both the U.S. and Canadian union felt that agreeing to shop floor flexibility as a way of getting into a transplant joint venture would be easier than organizing such a facility. They also felt that learning about the Japanese approach might help them organize other, non-union

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<sup>339</sup> Ford-Nissan workers at the Avon Lake, Ohio truck plant will become part of UAW local 2000 when the facility opens in 1989.

transplants. The unions justified their decisions to critical workers by arguing that, if it proved necessary, workers could negotiate for better contractual protection after the transplants achieved full production.

At the non-union U.S. transplants, the most prominent U.S. organizing attempts have taken place at the oldest transplants; Honda in Ohio and Nissan in Tennessee. At Honda in 1986, the UAW withdrew a petition for a certification election because it felt it would not win after a poor showing in a straw vote held in a captive audience meeting (Ruben 5/86, 51; Bieber in Automotive News 11/20/89).<sup>340</sup> At Nissan, although a scheduled expansion may have diminished the fear of job loss compared to most organizing campaigns, workers in Smyrna, Tennessee voted against the UAW 69 percent to 31 percent on July 27, 1989 (Brown 7/28/89; Levin 7/28/89).

As at other non-union transplants, management at Nissan-Smyrna intensively screened its workers--reviewing 60-75 applications for each person it hired (Bieber in Automotive News 11/20/89). Much of this screening assessed workers' attitudes towards unions. Nissan's policy, so far adhered to, of not laying off workers during economic

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<sup>340</sup> In 1989, seven years after it began operation, Japanese skilled workers on temporary visas made up six percent of Honda's hourly workforce. Though they may not have been brought over primarily because of this, use of Japanese skilled workers on temporary visas reduces the number of indigenous skilled trades with unionized experience and pro-union attitudes that needed to be hired (US Embassy, Tokyo and US Consulate, Osaka).

downturns and its average hourly wage of \$14.80 also discouraged workers from voting for the union. The wage level approaches that of UAW workers and exceeds that of comparable workers at nearby plants by about 35 percent (Brown 7/28/89). At Smyrna, the union campaigned on the issues of health and safety, line speed, and company failure to fulfill promises of participative management. Workers interviewed afterwards nonetheless expressed the view that "the union didn't have anything to give me that I don't already have" (Brown 7/28/89).

However much credit the union deserves for doing as well as it did, the UAW's failure to win at Honda and Nissan clearly connect to its own "identity crisis." If the UAW could clarify its role at NUMMI, Mazda or elsewhere; if this role provided workers with wages and benefits similar to what they have now; if it provided them with more protection against speedup, injury on the job and favoritism; if it provided them with more autonomy on their jobs, input into middle management decisions, and access to training and career opportunities; and if UAW strategies for reaffirming the union's place in the industry made workers believe that the union would enhance rather than jeopardize long-run employment security, the union might be able to use a combination of its activist supporters from team plants and an enhanced public image to persuade non-union assembly workers that the UAW could and would protect them.

As the Canadian non-union transplants near full production and the CAW wrestles with its role at CAMI, observers will be watching closely to see if it can reproduce its organizing success in the parts sector. The Canadian automatic recognition process and the presence of ex-CAW skilled trades (from Budd-Kitchener and elsewhere) at the Toyota facility in Cambridge, Ontario make the CAW's task less daunting. The CAW's ability to persuade Toyota, Hyundai, or Honda workers to join--and thus help preserve--the Canadian industrial union, depend on its proving its ability to represent and protect workers at CAMI and other plants with flexible work organization at the Big Three. It is to the issue of flexible work organization, its implications for plant life and the unions' attempts to define a place for themselves within it that we now turn.

C. The End of Industrial Solidarity? The Plant Level Transformation of Labor Relations

The reorganization of work in the auto industry has reopened issues surrounding workers relationship to one another, to shop floor managers and to the union that have been closed according to industrial relations theory if not always in practice since the immediate postwar period.<sup>341</sup> As in the 1930s and 1940s, there is a struggle taking place over what model of shop floor relations will guide future

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<sup>341</sup> Lichtenstein's (1989) brilliant reconstruction of the complex relationships among foreman, their working deputies and workers in general during the 1940s bears close reading in the current context.

labor-management interaction as well as over shop floor practice. As did GM's management in the 1940s, top managers at larger firms today have a clear vision of what they want to achieve from work reorganization. Though they may be confused about business strategy and how much to rely on cost cutting as opposed to quality and product variety, their goal at the plant level is to transform the production process and the social character of the workplace along the lines of the Toyota production system.<sup>342</sup>

By contrast, neither the UAW nor the CAW has yet developed a strategy for preventing the institutionalization of a subordinate union pattern. As we saw at Budd, the growing clarity of management's plant-level vision does not mean workers and local unions have simply acquiesced to a wholesale adoption of management's vision. A constellation of forces--including technology, a plant's historically-shaped patterns of shop floor relations, the perspective of key local union officials, the economic pressure faced by individual plants, the perspective of national union department heads, and the national political context--have all shaped the extent and sophistication of workers' attempts to resist or reshape

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<sup>342</sup> Robertson 1989. At GM, this model is taken straight from Toyota and NUMMI and called in internal documents the "GM Production System." Robertson (1989) notes that training manuals of companies as diverse as McDonnell Douglas, Northern Telecom and CAMI lift substantial pieces straight from Toyota's basic production handbook by Yasuhiro Monden.

management's initiatives. As a result, the meaning of new shop-floor arrangements varies by plant, work group, and occupational category (and the spectrum of patterns in the U.S. probably spans the spectrum in Canada).

Despite this diversity, the text below develops the following tentative hypotheses about general tendencies in the U.S. and Canada. In the U.S., the labor market situation of semi-skilled workers, intense competition, the absence of a strong cadre of pro-union informal leaders in most plants and the lack of a debate about which changes locals should accept or resist has meant that, when unilateral or autocratic managerial actions have not sabotaged moves toward labor-management cooperation, such cooperation has more often taken place on subordinate union than negotiated terms. In Canada, less economic pressure and intra-union whipsawing, shop floor confidence growing out of the anti-concessions fight, and the national leadership's skepticism of corporate strategy have made local accommodation to management more gradual. Despite (or because of) this, Canadian productivity and quality is slightly better, on average, than at U.S. plants.<sup>343</sup> More extensive informal cooperation and confident workers in

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<sup>343</sup> Chrysler's four Canadian plants took four of the top five places in the company's North American quality rankings in 1988. At GM, according to a management source, Canadian plants produce cars with about 15-20 percent less labor hours than U.S. plants. The data in Katz and Meltz 1989 on an unidentified company that appears to be GM show a much smaller Canadian labor productivity advantage. Canadian Ford plants also reputedly have high quality.

Canada may coexist alongside alongside the preservation of collective traditions. Together with the value of the Canadian dollar and the cost advantage stemming from lower health care costs in Canadian plants, the performance of Canadian plants leaves open the possibility that recent attempts within the CAW to deal more explicitly with management's workplace strategy will produce a move towards the negotiation model.

A. The U.S.

The most positive interpretation of recent developments in the U.S. is that, in the context of contractual job guarantees and high wages, the shop-floor and joint-committee structures set up in the last decade represent a generalization of negotiations that took place in the past over the contracting out of skilled trades' work.<sup>344</sup> At Budd and other militant locals historically, restrictions on outside contracting obliged superintendents to sit down with skilled stewards and discuss how to plan work so that the local could perform "all available work." This represented the union's deepest incursion into management prerogatives during the era of "procedural unionism" and an extension of the day-to-day self-management enjoyed by the skilled trades. In the context of skill-based power and contractual rights, supervision

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<sup>344</sup> Michael Piore suggested this interpretation--a distillation of the "codetermination" strand within Ephlinism (see chapter 7)--to me.



and stewards determined substantive ways of "working smarter, not harder."

Historically, when outside contracting negotiations took place, employers implicitly agreed not to violate a complex set of worker understandings about acceptable work practices, and company goals were satisfied as much as possible given those understandings. In local contract negotiations today, it is the company goals not the work practices that are held constant. Management first sets cost and quality goals in order to make a plant competitive. Then local committees try to find ways to achieve these goals that are palatable to the union and the workforce.<sup>345</sup> At assembly plants, one fairly unambiguous result of this is that hourly employees are working a larger fraction of every minute: 54 seconds out of 60 at NUMMI; 48 and still rising instead of 45 at GM-Linden, New Jersey.<sup>346</sup>

Structural incentives operating at the plant and individual level and ideological pressures stemming from corporate emphasis on the productivity/quality and job security link account for these consequences of work reorganization among U.S. production workers. Whipsawing

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<sup>345</sup> The idea that plant-level targets know no limit except the moving target set by the market meshes with the fact that, in the Japanese production system, work standards are, as Luria (1987, p. 7) puts it, "upwardly open."  
<sup>346</sup> Feldman and Betzold 1988, 11; Milkman and Pullman 1988, 41. The ultimate managerial goal in this respect is suggested by the NUMMI slogan, "there are 60 working seconds in every minute" (Turner 1988).

provides the strongest incentive to cooperate with management. Plants that fail to match concessions made at other plants risk closure or lost business. The job guarantees in the 1987 contract do not appear to have ended whipsawing and the role of fear in redefining shop floor custom and practice. The market escape clause together with projections of 4 million units or 20 percent excess vehicle capacity by 1992 (even without a recession) mean that workers still face the possibility of layoff. Survey evidence from GM-Linden indicates that workers in 1988 felt less secure than five years earlier--i.e. during the recession (Milkman and Pullman 1989). In management circles today there is a strong conviction that "significant emotional events"--extended plant shutdowns or rescinded plant closing announcements--have been critical to loosening labor's commitment to traditional contractual and customary restrictions.<sup>347</sup>

Reinforcing whipsawing are structural incentives operating at the individual level that threaten more fundamental changes in workplace social structure along subordinate union lines. The prospect of gaining team leader positions and new quality-related jobs is particularly attractive to would-be-craftsmen, as well as an effective way of resolving the confusion of young

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<sup>347</sup> The phrase "significant emotional event" is by now a part of managerial lexicon. For examples of its use, see Turner 1988; Milkman and Pullman 1989; and Parker and Slaughter 1988.

workers caught between seeking individual advancement and playing more protective, orchestrating roles.<sup>348</sup> If these workers suffered long layoffs in the last recession, this "significant emotional event" makes them even more likely to favor more flexible work organization and the devaluation of seniority. They believe that such reorganization might improve their plant's chance for survival and their relative job security; make production jobs in general more challenging; and improve their chances of promotion (there is one team leader for every four to eight workers at NUMMI). Given their world view, it is not surprising that, at NUMMI, "team leaders in particular are grateful for the opportunity to have more than just a job" (Turner 1988b, 10).

At least some in management recognize a potential ally in actual or potential would-be-craftsmen. In 1986, the second highest personnel executive of a Big Three automaker acknowledged that his company's expanded joint training programs would serve partly as a way of creating an "internal lobby" for work organization reform. After acquiring new technical skills, he suggested, these workers would argue that they should be kept on instead of more senior employees who had not taken additional training. At

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<sup>348</sup> Luria (1987, 8) says that managers at some greenfield team plants look to hire former small businessmen as team leaders. One wonders whether these would maintain the ties with hourly workers that distinguishes a subordinate union from an autocratic pattern.

GM-Van Nuys, this "internal lobby" surfaced when 75 team-concept trainees "challenged" the local union president "at every turn" as he held a press conference to announce an attempt to get an injunction to stop implementation of a team concept agreement negotiated by the pro-team plant chairman (for details, see Mann 1987, 287).

GM's Saturn workforce will draw heavily from the ranks of WBCs. The Saturn agreement with the UAW requires GM to confine recruitment to laid-off GM workers. As of 7/10/89, Saturn recruiters had received 10,500 applications for the 1300 positions filled to date (Automotive News 1989). The ratio of applicants to jobs at Saturn suggests that the possibility of attaining positions at new facilities induces considerably more workers to cooperate with management than are actually hired.

In addition to team leader and quality positions, managerial control of access to training programs--and perks such as visits to suppliers or customers--can be an effective lever for influencing the behavior of workers, particularly those tied to the line. Training programs and temporary "kaizen groups" tend to proliferate at Big Three plants with workers in the guaranteed employment pool or when demand drops for the products of plants with no-layoff commitments. Patterson (8/28/90) reports that 17,000 hourly workers (in a workforce of less than 300,000) were involved in joint programs at GM as of August 1990. Supervisory discretion over who gets off-line jobs, and the

weakening of bidding rights that goes with the broadening of job classifications, give management control over job assignment (although not layoffs) approaching that it enjoyed in pre-union days.

New plant-level joint programs also create large numbers of permanent appointed positions for hourly workers. In 1988, at GM's Hydramatic Willow Run Facility which then employed about 9500 hourly workers, there were 187 hourly people involved full-time in joint activities.<sup>349</sup> To the extent that managers, or union officials who support company goals, influence who gets these positions, they may be used directly as patronage to induce cooperation. Whoever appoints them, joint officials may be inclined to adopt a managerial perspective for more subtle reasons: the time they spend with management, the

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349 Hoyer and Huszczo 1988, 23. These 188 positions consisted of 66 statistical analysts for resolving quality problems; 17 "technical supporters" for the transmission plant's assembly customers; 14 EI facilitators and 3 other EI resource team members; 14 trainers; 12 joint absentee control program administrators; 10 developers of more accurate and competitive cost estimates; 9 identifiers of how to achieve world-class quality by start of production, 1988; 9 safety training workers; 8 contributors to in-plant communications ("World Class" monthly newsletter; "Hydra-Life"); 8 evaluators of submissions to the suggestion program; 4 members of "joint product teams"; 3 members of an ergonomic/human factors team; 3 product awareness team members; 3 United Way money raisers; 2 EEO protection workers; 1 person who helped the ergonomics team place workers on jobs that suited them; 1 employee assistance worker who helps people receive aid for substance abuse and other personal problems; and 1 non-traditional maintenance team member.

Parker and Slaughter (1988, 129) report that the full-time QWL staff at GM's 2500-worker Shreveport, Louisiana plant includes four union positions. They say this staff is "much smaller...than in a traditional GM plant."

connection of many of these responsibilities to company's efforts to achieve world-class competitiveness (see the previous footnote), and the fact that, more than union committee positions in the past, appointed jobs are potential platforms into management. The fact that many local union bureaucracies do not have a strong shop-floor base make it all the more likely that some of their members will acquiesce to becoming part of "the second production department"--as the union is called in Japan--to assure that a reorganized workplace contains a place for them as individuals.

The amply-funded Human Resource institutions growing up with the job-security programs at the Big Three also increase the patronage available to the major national union departments. After 800 of 1000 workers voted to recall Ray Ruiz, a pro-team plant chairman, Ruiz took an international staff position (Mann 1967, 249). In 1988, Ruiz was UAW Coordinator of the GM Quality Network for the Chevrolet-Pontiac-Canada Division.

Corporate emphasis on the competitiveness/job security connection accompanies whipsawing and individual incentives encouraging cooperation. Company newsletters, information sharing meetings, informal contact on the shop floor, and participation groups transmit this message at plants visited and at those described in the literature.<sup>350</sup>

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<sup>350</sup> Shaiken, Herzenberg and Kuhn 1986; Shaiken with Herzenberg 1987; Guest 1982; Wells 1987.

Whatever the rhetoric surrounding their operation, most U.S. participation programs and joint committees frame problems from a corporate perspective and, in the process, persuade workers and union officials that they have no choice but to accept managers' demands. In an "assembly line speed up" at GM's Buick City in spring 1988, for example, the union helped rearrange the work after they were shown figures that put the plant near the bottom of GM's labor productivity rankings. Noting the role of the joint UAW-GM Quality Network in facilitating this change, Schlesinger and Ingrassia (1/12/89) wrote:

How can a worker argue with a change in job assignment--even to a harder job--if it cuts defects? ...Observes James Rucker, GM's [quality] network director, "It settles a whole bunch of arguments." Put another way, the company is beginning to get what it always wanted from workers--without the hassle.

Schlessinger and Ingrassia (1/12/89) described the local's actions as a result of its lack of alternatives:

A major motivation isn't a new sense of self-worth: it's pure fear...Buick City officials admit that the real catalyst for their new cooperative programs came in late 1987, with the indefinite idling of their second shift because of slow demand...

Other examples illustrate that workers and union officials faced with the same competitive constraints as managers end up suggesting actions that they resisted in the past. Thomas reports a case of an EI group at a daywork quota plant suggesting that workers continue to produce after making quota. Parker reports a similar

example. Katz reports a case where an outsourcing committee at a Ford components plant recommended combining classifications and increasing work standards (Thomas 1986, 10-11; Parker 1986, 34; Katz 1985, 67).

New labor-management forums also expose workers and union officials to social pressures to identify with managers and join the team effort to compete. Training programs sometimes use psychological techniques and exploit individual and class-based insecurity to break down the defenses of workers and union officials in unfamiliar surroundings and to win their support for corporate goals (Parker 1986, 19-21). Spending increasing amounts of time with managers in committees, training and socially also encourages selected workers and union officials to identify with corporate goals.<sup>351</sup> To consolidate team leaders' commitment to management, NUMMI and other team plants have invariably begun by sending a carefully selected cadre to Japan and then giving this group responsibility for building team unity and commitment to kaizen during the assembly plant start-up period (Parker and Slaughter 1988).

In many plants, the actual or perceived "quid pro quos" of cooperation with management have reinforced ideological factors and changes in the plant opportunity

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<sup>351</sup> For an incisive discussion of how personal interaction created pressures to identify with or take it easy on supervisors even among the militant stewards at Ford's Halewood plant in Liverpool, England, see Beynon, 1975.



structure to consolidate subordinate union cooperation: most obviously, plants where employment levels have stabilized or risen since the advent of joint programs, where workers have received substantial profit-sharing (primarily Ford), and where managers have adopted less autocratic approaches. Lowell Turner (1988) regards these benefits, and job security, as more important than fear and workforce screening in explaining NUMMI's economic performance:

The key to NUMMI's success lies in the structure and policies of management, and especially the approach to the workers taken by management from top to bottom: the emphasis on garnering input, treating people with respect, gaining consensus within the organization, offering tangible and unusual benefits such as employment security in return for worker and union cooperation, and successfully winning over and incorporating into the process key union leaders.

Turner's attempts to weigh the relative importance of carrot and stick to the transformation of labor relations from GM-Fremont to NUMMI is not convincing to this writer. Even if one accepted, however, that the reorganization of work at plants such as NUMMI improved life on the job and contract terms for those left at the plant, general acceptance of the subordinate union logic that high plant-level performance is the only way to achieve income and job security would bring with it the forms of labor market segmentation within and between plants that define a segmented pattern of development.

Among production workers at older plants, the transition to such a subordinate union model of teamwork particularly threatens employees with absenteeism problems, older workers and outspoken independent workers. At an ideological level, management strategy presents absenteeism, inability to keep up when easier, off-line jobs are eliminated and defense of other priorities ahead of corporate goals--more breaks for machine-paced workers, easier jobs for older or injured workers etc.--as jeopardizing the job security of the rest of plant's workforce. This encourages other workers and union officials to accept tighter absentee control, more emphasis on "ability to do the job" and screening out of workers with attitudes "inconsistent with the team approach." In addition, where there are no absentee replacements, other team members and the team leader pay the penalty of absenteeism or the inability of older or disabled workers to keep up.<sup>352</sup> One NUMMI steward told a visitor to the plant of a team that timed the daily washroom-smoke break taken by one of their members. The breaks totalled 26 minutes for the week and the team insisted that this member be fired. Such attitudes set the stage for stringent

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<sup>352</sup> Some U.S. team plants do have absentee replacement workers. Shreveport, for example, has one for each of its teams which typically include about 15 workers (Parker and Slaughter 1988). The average number of relief workers in U.S. plants in one unidentified Big Three firm (probably GM) declined from 9.1 to 1.6 between 1979 and 1986. About a 50 percent drop could be accounted for by an increase in the proportion of plants on tag relief from 13.6 to 58.1 percent (Katz and Meltz 1989).

formal absenteeism programs such as NUMMI's, under which workers are fired for missing 6 days within the year (or 3 days within any 90-day period).

The threat to outspoken workers--their numbers already diminished from the impact of the last recession on younger workers--stems in part from the erosion of union capacity to defend workers in general under procedural unionism. The perception of outspoken workers or those who grieved a lot as "whiners" makes other workers readier to see them as an impediment to competitive success and to the job security of the rest of the workforce. To the extent that defending "troublemakers" weakens support for the union it makes the union readier to let the company perform triage on them. According to Len van Houten, facilitator at the GM-Fiero plant heralded in the early 1980s as a model for cooperative relations (and now scheduled for closure):

It used to be.. that the 15 percent of troublemakers were the ones who really elected the offices, the ones who were really represented. Now the other 85 percent get a voice. Sometimes they don't want the union to defend the 15 percent. That puts us in a bind, but it means we are really doing a better job of representing all the people (Heckscher '988, 147).

Or, in the words of one NUMMI worker, the hard core union

...people were always the ones who wanted to do less for more. They don't believe in helping other people if it's not in their job...The union used to protect the wrong people. Now it is not like that; [the company] gives people the benefit of the doubt but if they don't work, they are out the door (Parker and Slaughter 1988, 110).

According to one Ford Truck plant worker, "There's no room in the plant anymore for people who don't go along with the program. In ten years, guys with my attitude will be phase out" (quoted in Feldman and Betzold 1989, 248).

Evidence to date of weakening of the seniority-based layoff principle or of erosion of union protection against "substandard" performance and behavior is only scattered.<sup>353</sup> It is not inconceivable that the next recession will see a wave of modifications of seniority in

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<sup>353</sup> Since NUMMI was a joint venture, it was not covered under the "preferential hiring" or other mobility clauses of the national GM contract. Thus the UAW won an improvement over existing rights, against Toyota's initial opposition, when it gained a commitment that NUMMI would hire a majority of the workforce from the old Fremont workforce. While NUMMI management did not use seniority to select from the Fremont pool, Lowell Turner argues (personal communication) that very few people were "screened out." He says that 3300 out of 6500 filed applications for the 2500 NUMMI jobs. Most of the 3200 who did not file presumably found non-auto jobs or used their transfer rights to move to other GM plants. With additional drop outs along the way, only a small number were actually screened out by the hiring committee composed of management representatives and members of a formerly militant union bargaining committee. Turner maintains that these were screened for records of absenteeism or drug and alcohol problems not past records of militancy. The absence of screening, he goes on, helps account for the rise of the NUMMI opposition, "the People's Caucus", led by informal shop floor leaders, many of them long-time union activists (see text below). Turner's account leaves open the possibility that "self-selection" and behind-the-scenes pressure led some activists--including opposition to the incumbent committee--not to apply for NUMMI jobs. It's also important to keep in mind that a little screening may have a powerful effect. Without the handful of informal leaders that initiated the sitdown at Kitchener in 1986, the company would probably have been able to modify the relief time custom.

older, organized Big Three and IPS plants.<sup>354</sup> This possibility was foreshadowed recently at a former GM stamping plant in Hamilton-Fairfield, Ohio. Scheduled for closure in 1986 when it employed 2500, the local was saved when Cynba International bought it. Cynba planned to hire 700 workers initially; it used seniority only to determine the order of job interviews (Ruben 11/88, 41). In the next recession, local leaders may be told again and again that to save half their members, management must have more discretion over which half that is. If modifications of seniority fell disproportionately on minorities--as one might expect given the disproportionate number of whites among WBCs at Budd-Detroit (and among team concept area workers at Budd-Philadelphia)--this would exacerbate the devastating impact of plant closings on the middle-aged, heavily black workforces that staff older, urban plants.<sup>355</sup>

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<sup>354</sup> Even without this, under the existing Big Three agreement, the construction of new plants to perform "new work"--a la Saturn--could gradually give managers the opportunity to screen out "bad actors" and bad performers over time.

<sup>355</sup> Blacks are also hit hard because new Japanese plants hire far fewer minorities than the facilities they displace: typically 10 percent or less black workers compared to, for example, 25.4 percent at seven GM "greenfield sites"--a figure that reflects the right of employees at older Big Three plants to "follow their work" (Cole and Deskins 1988).

A rough calculation indicates that in auto alone, the elimination of current excess capacity will reduce aggregate black income in the U.S. between 1 and 1.5 percent (details of the calculation are available from the author).

Beyond its influence on the seniority-based layoff principle, the transition to a subordinate union model threatens to fragment the union along permanent-temporary and assembler-supplier lines. Under the 1987 and 1988 Big Three contracts, a recalled employee has to work 26 weeks within any 52-week period for the guaranteed employment number to increase. New employees have to attain 24 months of service. These provisions could generalize a principle in the Saturn agreement: the use of 20 percent of the workforce as a buffer which protects the job security of the other 80 percent. The outsourcing of ancillary services is consistent with the same principle of protecting core employees by imposing greater insecurity, lower wages, and fewer benefits on others. For example, the language in the 1986 local agreement between UAW Local 7 and the Chrysler Jefferson plant in Detroit states:

X1. The Corporation and the Union...recognize [that]... job security can only be realized within a work environment which promotes operational efficiency and cost effectiveness. In this regard, it is acknowledged that necessary business decisions will be made relative to the utilization of outside sources to perform certain tasks. In addition to outside sourcing historically performed at Jefferson Assembly, such tasks may include: Direct delivery of material to the line; Building and grounds maintenance; Vendor rework (quoted in Parker and Slaughter 1988)

By giving management an incentive not to expand the number of workers with guaranteed jobs, the employment security programs may also have strengthened the corporate

bias in favor of overtime.<sup>356</sup> In Flint and elsewhere, tension between workers on overtime and those laid off has grown in tandem with the use of overtime (interview with Stan Marshall 11/88). By heightening laid-off workers' hostility towards senior employees, the extensive use of overtime lays the groundwork for later dilution of seniority.

The 1987 contracts also threaten the dwindling number of organized U.S. independent suppliers. The guaranteed employment clauses treat outsourcing to UAW suppliers no differently than they treat outsourcing to non-union suppliers. To the extent that corporate employment commitments do slow vertical disintegration, it seems likely that organized independents will suffer more than non-union U.S.- and Japanese-owned suppliers. The current clauses may thus intensify the UAW's organizing difficulties by making supplier workers suspicious of the union, as well as by making assembly workers reluctant to act in solidarity with demands by parts workers that would make their plant less competitive.<sup>357</sup>

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<sup>356</sup> The UAW negotiated the 1987 contract requirement that employment increase proportional to changes in production to discourage the use of overtime. It may do the opposite by leading the Big Three to use overtime to keep recalled workers from attaining 26 weeks of work when production volumes are low. The contract did increase from \$1.25 to \$2.50 the penalty for each overtime hour worker above 5 percent of straight time hours. This money goes into the employment development and training funds at each company.

<sup>357</sup> One IPS UAW local president told of being taken to an assembly customer and approached by the local union president there. The assembly plant president took out a blow torch, picked up a panel, made by the supplier and cut

Despite evidence suggesting pressures in the direction of a subordinate local union model accompanied by segmentation along assembler-supplier, permanent-temporary and demographic lines, such a model is far from entrenched in the U.S. auto sector. Generalizing from the limited evidence, most of it on assembly plants, the form and extent of local resistance depends on past patterns of shop floor relations and on the extent to which they left behind a core of union activists; on managerial approach, which is itself partly shaped by pre-1979 patterns; on the immediate economic pressure faced by a plant as well as the extent of recent layoffs; and on company financial circumstances and the position of the regional leadership or head of the national company department.

In many locals, a tug of war between local union factions has accompanied managerial efforts to introduce teams. Sometimes, teams are accepted but an opposition caucus--the People's Caucus at NUMMI, the Together United Group at Shreveport (Parker and Slaughter 1988)--maintains a presence by arguing for the union to take a more active role in organizing and defending workers. In other cases, as in Don Douglas's Pontiac Truck and Bus Local, the opposition to teams has been dominant and has more significantly retarded the move to the Toyota production

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a hole in it while saying, "see this panel, this is crap." The IPS local union president expressed empathy with the assembly president's concern with the impact of part quality on the assembly local's survival.



system. At plants such as Van Nuys, power within the local has shifted back and forth between pro- and anti-team factions. A GM executive's comment to Turner (1988b) that she could not remember an assembly plant where a Van Nuys-type struggle over team concept had not taken place implies that opposition to teams has been a fairly general phenomenon.

In yet another category of locals, union officials have accepted the introduction of teamwork and labor-management cooperation but are self-consciously attempting to do what opposition groups at NUMMI and Shrevesport say they would like to do: create a "homegrown" model of negotiated teamwork in which the union plays a more assertive role than at NUMMI. As well as the Lansing and Lordstown locals described by Turner (1988b), the New Directions leadership at Mazda Flat Rock fits in this category. At Mazda, the local union negotiated an increase in the number of unexcused absences necessary before the company may fire workers from five to 15 days (Daily Labor Report 10/12/89, A-8). It has lobbied the company to reduce its use of "temporary employees" that do not have job security. One local union official estimated that, at one point, Mazda used 400 temporaries in a plant with 2900 regular hourly employees (Judge 3/27/90).

Workers' resistance has produced variation in the critical dimensions of shop floor social structure that distinguish the subordinate union from the negotiation

model. One of these is the perspective of team leaders-- i.e. the lowest level supervisory employees. Recent case studies illustrate the competing pressures on team leaders and that, like younger informal leaders at Budd-Detroit, some of them are caught between the perspective of would-be-craftsmen or joiners and playing a more protective role. According to Eric Mann (1987, 339), at Van Nuys, some team leaders thought their role "should be as a skilled and responsible worker, not as a management agent."<sup>358</sup> This phrase recalls the role of worker-allied production supervisors in the Budd Wheel. In plants where team leaders are elected, appointed by seniority, or rotated, rather than appointed by management, identification with the work group is likely to be stronger.<sup>359</sup>

If the union self-consciously attempted to use labor-management cooperation to reestablish the ties between exempt as well as hourly supervisors and work groups--and to hold the corporations to their promises of expanded autonomy and participation for workers in general--it might

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<sup>358</sup> For related evidence, see Parker and Slaughter 110; the update on Van Nuys by Mann 1988, 173; and Downs 1988, 189. The New Directions leadership at the Mazda plant reveals a similar sentiment. The President and plant chairman at Mazda both support the team concept as an improvement over the system at Ford they experienced earlier. They are both active contributors to the company's "kaizen" suggestion system (Automotive News, 1989). This combination of traits also recalls the attachment to the work group and the pride in production associated with workers caught between the role of informal leader and would-be craftsman at Budd-Detroit and with unionized foremen in the 1940s (Lichtenstein 1989, 173).

<sup>359</sup> On this issue, see Parker and Slaughter 1988, 49.

gain the support of disenchanted WBC's as well as other workers. The reaction of workers who went through the three-month SPC program at Budd-Kitchener only to return to stamping or assembly line jobs suggests that disenchantment among WBCs may be strong, despite their fear of job loss, once they realize that they are unlikely to become team leaders after all. One wonders, in this regard, how plants such as Saturn, if they are filled with high proportions of would-be craftsmen, can possibly satisfy the aspirations of their workforce without a far more fundamental transformation of work than offered by the NUMMI model. If it could accommodate skilled workers, one union approach to attracting WBCs might be to push towards the kind of integration of skilled and production work being attempted at a new Big Three assembly plant in Northern Mexico (Shaiken 1990). Responding to the aspirations of WBCs in UAW plants could also provide the key to organizing the non-union Japanese transplants.

The possibility of using the team structure and worker discontent to regenerate union links to the shop floor has also arisen (Marsden et al. 1984; Parker and Slaughter 1988, 55). At NUMMI, there is approximately one "union coordinator" for each one to two groups--i.e. about 30-60 workers. Currently, these "working stewards" receive two hours off per week on union business.<sup>360</sup>

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<sup>360</sup> For language (based on the GM-Shreveport contract) designed to facilitate the use of teams and high densities of working union representatives to strengthen workers'

As well as variations in shop floor social structure, attempts by U.S. plants to define a more negotiated model of team work are distinguished by the preservation of significant contractual rights and the use joint committees to address workers' concerns. Thus both Lansing and Lordstown retain seniority rights in job allocation and large (although reduced) numbers of classifications. Turner maintains that the network of labor-management committees at these plants also provide the union with input into managerial decisions. The Lansing local sees this as a more genuinely participative approach

[distinct from] the Japanese management approach to consensus, in which top management makes a decision and then groups of lower managers and workers discuss it until they all agree with that decision (Turner 1988, 18-19)

The existence of fledgling, more independent and "militant" alternatives to the subordinate union model leaves open the question of which pattern will be most generalized. The rising market share of Japanese- and U.S.-owned greenfield plants, however, makes the subordinate union pattern more likely. Management's control over investment within traditional Big Three plants also gives it power to impede attempts by individual plants to forge a new shop floor pattern alone; and power to intimidate remaining plants into accepting a more undiluted Toyota model. Whatever the actual motivating reasons for

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independence from management, solidarity and links with the union, see Parker and Slaughter 1988, 64-67 and 134.

the decisions, the role of management power is illustrated by GM's recent decision to close, along with three other plants, both the Lordstown facility and the Ontario Scarborough Van Plant, where the local has actively resisted teamwork. An attempt to establish a negotiation model on a broad basis in this context requires definition at the national level of principles and rules that will help prevent subordinate unionism. This, in turn, requires national debate and education first to define the rules and then to persuade the most conciliatory union elements to hold to nationally-agreed upon limits on managerial rights.

An attempt by the current centrist UAW leadership to set new limits to corporate conduct will require it to incorporate--and draw on the ideas and activism of--both opposition critics of cooperation and advocates of cooperation that have seen themselves responding to a rank-and-file desire for participation as well as job security. It is hard to imagine the generation of a unifying vision and strategy without significant changes in the union's internal structure that would bring with them dilution of the leadership's control over internal debate and union direction. One such change might be the establishment of District Councils, an institution that, in Canada, has facilitated both open debate and, rather than fragmentation, a capacity for central coordination over the

implemenation of the "more substantive unity" that emerges from such debate.<sup>361</sup>

In the U.S., one basic thrust of a unifying UAW strategy is likely to be an attempt to repeat on a larger scale the trick that produced strong steward structures out of company councils--i.e. to use structures with which management intended to subordinate workers as a means to reassert worker independence and collective power. As first steps, the UAW might attempt to convert the U.S. PEL programs into a union-controlled, union-wide program rather than company-specific joint programs; and to establish union control over some of the resources and personnel in joint national and local training and education programs. The steps would enable the union to reaffirm its independent identity as workers' advocate; and to more fully assess the benefits and dangers of guaranteed employment clauses, new training programs, and plant-level reorganization.

An independent assessment would enable the UAW to come to terms with the key substantive questions surrounding plant-level work reorganization: Could procedures for developing plant-level competitiveness plans under Attachment C be transformed into ways of developing local

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<sup>361</sup> The phrase "more substantive unity" is borrowed from Gindin 1988, who uses it to characterize the outcome of national union debates in the Canadian District Council.

union strategy and unity?<sup>362</sup>; Can team and group structures help the union regain a stronger presence on the shop floor? What combination of traditional rights and rules governing access to training and off-line jobs will be necessary to limit favoritism and supervisory discretion in team plants? Can the union go beyond setting such limits and use reorganization to develop stronger ties with exempt as well as hourly supervisors (and engineers)--and as a way station to incorporating them into the bargaining unit so that shop floor cooperation is better protected from upper management interference? Can the union use union input into plant-level sourcing decisions to enforce minimum protection for workers in suppliers as well as a way of achieving management's performance goals?

If the UAW cannot find a Gorbachev to lead a calculated relinquishing of control from the top, politically defensive union leadership vacillation on cooperation may simply strengthen the Big Three managerial factions in favor of circumventing the UAW as much as possible and of using team work as a means of reestablishing the managerial domination on the shop floor characteristic of an autocratic pattern. This faction is strong because of the autocratic traditions of North

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<sup>362</sup> And thus make good on the advice of a GM-Hydrumatic official to put "all that teambuilding training to practice on ourselves"? (Hoyer and Huszczo 1988, 32). The idea of the union using problem-solving and consensus-building techniques in its own efforts to develop strategies is more explicit in Parker 1986.

American manager and the limited U.S. legislative and contractual restraints on outsourcing, defining ancillary workers outside the bargaining unit and other low wage strategies. In Sengenberger's and Streeck's terms, the absence of a comprehensive set of restraints on management in the U.S. may stunt the development of more consensual and economically dynamic approaches to the use of teams and joint committee structures.

#### ii. Canada

Since the split with the UAW, the Canadian auto union has accepted many of the changes in work organization seen in the U.S., including some consolidation of classifications and team work at the union's first contract at Magna as well as at St. Therese, CAMI and Oshawa. According to a 1987 CAW survey, "one out of five plants already have some form of team work in place" (Robertson and Wareham 1987). One Canadian official anticipates a spate of such agreements over the new few years as older Canadian plants fight for their survival. Do developments in Canada suggest a similar move in the direction of a subordinate union pattern of shop floor relations?

The tiny amount of empirical evidence available suggests that, as a result of organized resistance to concessions, the preservation of stronger collective traditions in Canadian plants, and qualitatively less fear of job loss, workplace reorganization has preceded more



slowly and has not yet evolved clearly in the direction of any of the three alternative patterns. Consistent with the Budd-Kitchener case, managers' attempts to consolidate classifications and redefine shop floor customs appear to have preceded in a more "piece-meal" fashion in Canada (Robertson and Wareham 1986, 40). This piece-meal approach does not appear to have produced as clear an increase in managerial freedom to deploy labor or in work intensity as in the U.S.<sup>363</sup> In plants that do have teams, CAW locals--like their militant U.S. counterparts--have made explicit efforts to modify features thought to increase stress on workers. The Oshawa plant, for example, has an absentee replacement classification that helps limit peer pressure within teams against absenteeism (Gindin 1987, 9).

The data in Katz and Meltz (1988) on an unidentified Big Three company (that appears to be GM) provide tentative support for the claim that workers have given up fewer rights and experienced less work intensification in Canada than in the U.S. Katz and Meltz report only a small decline in the number of production classifications in

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<sup>363</sup> In the absence of data on "seconds worked" at Canadian Big Three plants, this statement is based on the Budd case study, other case evidence cited in the text, and Shaiken with Herzenberg, 1987. This last source describes how, in a Canadian Big Three engine plant in 1983, management folded cleaning, inspection and stockholding tasks into machine operators' jobs. Operators did not perceive a substantial intensification of work. In a U.S. engine plant of the same company, machine operators complained of stress on the job after managers made the operators responsible for monitoring three rather than two machines as well as for inspection and stockhandling.

Canada between 1979 and 1987--as opposed to a 50 percent decline in the U.S.; fewer limits on the frequency of promotional transfers in Canada; that significantly fewer Canadian workers performed their own housekeeping in 1987 (18.8 percent, up from 10 percent in 1979, versus 48.9 percent, up from 30.3 percent, in the U.S.); and, in the assembly plant subsample, that the number of Canadian relief workers dropped from 15.1 to 4.0 compared to a U.S. drop from 9.9 to 1.6.<sup>364</sup>

Other indicators are also consistent with the possibility that, rather than subordinate unionism, Canadian plants have more commonly moved to somewhat more stable collective patterns as at Kitchener; or seen the emergence of a "homegrown" model of cooperation. In the Canadian assembly plant sub-sample, the number of supervisors per 100 workers fell from 5.5 to 4.3. It fell from 6.5 to 6.0 in the U.S. The Canadian grievance rate fell from 55 in 1979 to 9.7 in 1987; compared to an 84.3 to 37.4 drop for the U.S.. The discipline rate fell from 17.3 to 6.0 versus 45 to 20.7 in the U.S. The number of Canadian inspectors plus repair workers per 100 workers

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<sup>364</sup> Since the number of U.S. workers on mass relief in the whole sample (which includes parts as well as assembly plants) rose from 13.6 to 58.1, one would anticipate a big drop in the number of relief workers. The proportion of Canadian workers on mass relief in the whole sample only increased from 33.3 to 37.5 percent.

fell--without lowering quality--from 18 to 10.3; versus 16.5 to 14.3 for the U.S.<sup>365</sup>

In terms of plant-level social structure, the fact that the Canadian UAW did not incorporate into its 1982 contracts the "nickel an hour" (15 cents an hour after the 1987 contracts) education and training funds has meant that the joint programs and appointed positions funded by these monies in the U.S. have not proliferated in Canada. This plus piece-meal reorganization has meant that management has had less opportunity to forge alliances with WBCs and local officials that believe improving performance is the best route to job security. While the CAW like the UAW has acknowledged the existence of substance abuse and attendance problems, it has explicitly sought to avoid compromising its role as representative of employees with these problems. In 1987, a memorandum of understanding acknowledged that "unnecessary and unanticipated absences by a minority of employees create undue hardship on the majority of employees who attend work on a regular basis" and established a 6-person "Committee for Attendance Improvement" to analyze attendance data and explore joint initiatives in the area (CAW-GM agreement 1987, 336). The memorandum emphasized the company's responsibility for dealing with many aspects of absenteeism. It also

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<sup>365</sup> This last contrast could be interpreted as evidence of concessions in Canada which eliminated indirect production jobs as well as of non-concessionary shop floor cooperation.

mentioned ergonomics, rehabilitation of employees on long-term disability and location of suitable work for medically restricted employees as three approaches to absentee problems.<sup>366</sup>

The CAW has also resisted the ideological messages that it believes endanger union identity and independence: language emphasizing competitiveness and its connection to job security; and the notion that labor and management now have common rather than conflicting goals. In place of Attachment C and its forerunners are weak enabling clauses for the establishment of committees to consider ways of improving performance.<sup>367</sup> In its independent PEL program,

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<sup>366</sup> In 1987, the CAW also negotiated a modification of a GM-proposed Employee Assistance Program for workers with personal problems. In that program, specially trained union-appointed bargaining-unit employees counsel other workers unless the worker requests a management counselor (CAW-GM agreement 1987, 303-306). Counselors sometimes consult with supervisors to get leave or job modifications to help workers deal with their problems. The program is voluntary and information relayed to counselors is confidential. The union maintains that the end result is a program that seeks to mould the working situation to employee needs rather than mould workers' behavior to improve plant performance.

<sup>367</sup> The 1987 CAW contracts with the Big Three include a letter establishing "Focus Committees" (or their equivalent) at each local "to maintain an ongoing dialogue to focus on cooperative efforts that would result in improvement in areas of quality and efficiency" (GM contract, Doc. 23, p. 172). Another letter (p. 168) pledges the national parties to "encourage" local union committees to create Joint Opportunity for Better Security (JOBS) Committees: "The primary purpose of these committees would be to explore means by which the parties may jointly address factors that impact both the job security of employees and the competitiveness of operations at individual locations." The St. Therese plant has a "joint committee to evaluate and constantly improve the efficiency of the plant."

the CAW has countered the company-funded cultural training that has taken place in the absence of "nickel an hour". The PEL program has warned workers of the dangers of cooptation and whipsawing that it associates with joint programs.<sup>368</sup> At the plant level, the CAW GM-Scarborough Van local won the right to provide eight hours of union education on company time as a counterbalance to a 40-hour company training course the union viewed as having more ideological than technical content (Gindin 1987, 6). The union has also published a statement that mimics corporate philosophy statements and emphasizes the importance of social unionism (see Appendix G).

Differences in the Canadian national contract and the ideological and economic context of competition in Canadian plants have also limited the growth of segmentation witnessed in the U.S. The absence of guaranteed employment clauses means that independent suppliers do not face systematically more economic pressure than (the small number of) Big Three component plants in Canada; and has prevented the creation of a temporary-permanent division. The pension benefits in the 1987 contracts also limit divisions between younger and older workers by improving early retirement benefits and, in the process, increasing the security of less senior workers. Finally, a recent

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<sup>368</sup> In 1988, the CAW began distributing to all PEL attendees Parker and Slaughter's book critiquing teams. Some Chrysler locals in the U.S. also reportedly distributed the book as part of their preparation for the introduction of "Modern Operating Agreements."

emphasis on "human rights", discrimination and sexual harassment within the union has sought to contain racial and sexual divisions among workers.

At times, the CAW has shown signs of going beyond resistance to management's workplace initiatives towards the definition of its own plant-level agenda. The union's groping in this direction has a decidedly European flavor both in terms of the effort to undergird an expanded union role with contractual and legal rights; and, substantively, in terms of the CAW's attempt to deal with the issues of health and safety, training, participation, and work time.<sup>369</sup>

The strongest legal underpinnings for an expanded plant-level union role have been won in the area of health and safety. Supplementing the 1970s law that gave workers gained the right to stop work on jobs that they considered unsafe, Ontario in the 1970s passed a hazardous substance law that expands workers rights to stop work and mandates worker education about toxic chemical exposure. In many auto companies, this training is being delivered by CAW members who have been through "train the trainer" courses at the union's national education center. Health and safety legislation is significant not only because it strengthens the capacity of workers and the union to deal with hazards on the job. The union's role in educating

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<sup>369</sup> On the prominence of these in the European context, see the introductory essay in Siriani 1987.

workers about health and safety and enforcing their rights in the area indicates that, by getting legislation passed in other areas, the union might carve out a role for itself as a "legislative compliance committee," enforcing employee rights regarding displacement, new technology, discrimination, and access to training, as well as on health and safety.<sup>370</sup>

The health and safety legislation is also significant because it gives Canadian workers the right to stop work during the term of a contract for the first time. Depending on how the legislation is enforced, it could have important consequences for the balance of power in Canadian plants. At Budd-Kitchener, workers used this right in the mid-1980s in what some observers perceived as a simple rate fight. The potential to exercise this right at Chrysler's Canadian plants also helped the union to prevent outsourcing of seat work to Magna; and to get AMC workers incorporated into the Chrysler pattern in 1989.

With respect to training, the union has taken very preliminary steps towards framing a training agenda that emphasizes basic skills, employee development and the establishment of training as a right. This contrasts with corporate emphasis on training workers who already have

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<sup>370</sup> The phrase in quotes is taken from Adams 1985. On unions as enforcers of legislated worker rights, see also Heckscher 1988. As well as a way to strengthen their representation of existing members, the CAW and other Canadian unions see a role enforcing legislative rights as a possible organizing tool.

good basic skills such as WBCs; and on using control over training as a tool for inducing worker compliance. CAW emphasis on basic skills is evident in a letter on page 308 of the 1987 CAW-GM contract establishing a "Learning Skills" program to review and, if necessary, develop programs for "employees who wish to improve their ability in reading, writing and mathematics". The 1987 Canadian Big Three contracts also established a union-company Training Review Committees composed of three union and three company representatives. The CAW-GM contract letter on the subject (306) charged the Training Review Committee with recommending training programs to reinforce basic skills and analyzing long-term training needs for employees. As of late 1989, only the Ford committee had met.371

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371 In the U.S., the 15 cents per hour worked allocated to joint education and training programs by the 1987 UAW/GM contract produced \$33 million/year to be dispersed locally in 1988 and another \$66 million at the national level (Jacobs 1987, 7). Some of these monies helped workers improve their basic skills (including, for example, the Ford "Skills Enhancement Program," which is organized and administered by local Education, Development and Training (EDT) Committees and the UAW-Ford National EDT Center; and delivered, when possible, by local education providers. Despite some attention to basic skills in the U.S., however, preliminary research indicates that, in Michigan, by far the greatest amount of training has been on statistical process control--which requires a good foundation in basic mathematics (telephone interview with Jim Jacobs, 11/20/89).) Jacobs (1987, 8) concludes that "there needs to be far more attention paid to adult literacy programs--especially designed to teach black workers from their own experience how to read, write, and perform mathematical computation."



In the technology area, weak enabling letters in the 1987 contracts reiterate pre-existing corporate commitments to give the union advanced notice and an opportunity for union input. Thus the CAW-GM contract (219-221) outlines a "Process for Review of New Technology". Another letter underlines the company's obligation to hold advance discussions on outsourcing of major tool, die, jig, fixture and engineering projects (231-232). A third letter (167) pledges the company to "meet with local Union representatives to provide a means of regularly addressing mutual concerns which pertain to sourcing decisions and their potential impact upon the workforce." While these letters touch on areas in which there has been substantial union involvement in the U.S., they attempt to keep union participation rights clear of any commitment to focus discussion on company goals. The absence of that commitment has meant, however, that management makes most of these decisions unilaterally in practice.

With respect to work-time, the CAW has taken isolated steps towards exchanging sensitivity to corporate operating concerns for shorter work time. To maintain continuous operation at its high-volume wheel rim operation in London, Ontario, for example, management at Accuride, an independent supplier, proposed establishing a "continental week." Under this arrangement, employees would work any five days in a row, including Saturday and Sunday, and receive 40 hours pay. The union negotiated a modification

in which one group of employees works two 12-hour weekend shifts at traditional time-and-a-half pay for Saturday and double time for Sunday--42 hours pay total. The new contract increased employment by about 200 jobs (CAW 1987). Like pension improvements, shorter work time would expand employment opportunities for young workers and thus mitigate seniority-based tensions within the workforce.

Despite the CAW's success at resisting management's agenda and the building blocks of a programmatic union response, what Katz and Sabel said of IG-Metal after the 1984 automobile industry strike over work-sharing remains true to some extent of the CAW after the anti-concessions fight, the split from the UAW and the battle over free trade. The CAW "emerged...unified, but without a program for the future" (Katz and Sabel 1985, 39). The CAW has not articulated a program that might solidify its role in the plants, reinforce its industry-wide identity and checks on whipsawing, and help it generate political support for complementary government policies.

For a time, the very success of the CAW's early 1980s mobilization and strike actions impeded a full national debate about how to adapt to management's workplace strategy. This success reinforced militant perceptions that the union need not change and should avoid new programs that could threaten its traditional role and its independence. One Canadian proponent of negotiated cooperation felt that some local union's withdrawals from

EI or QWL programs in the early 1980s represented self-fulfilling prophecies. This observer said that local unions would first make costly demands that managers could not possibly satisfy, and then withdraw from joint programs because the company's failure to satisfy those demands proved managers were not interested in making any changes that would benefit workers.<sup>372</sup>

Even though militant opposition to management and a sense of confidence remain dominant in the Canadian Council and within the local leadership of most major locals, however, Canada is not immune from the divisive pressures of management strategy and job loss faced by the U.S. union. Moreover, in part because of the weakness of the union's historic role on the shop floor, these pressures may well have chipped away at the confidence with which workers in general reject managers' appeals more than they have the confidence of the activist union cadre that dominates the District Council. Almost inevitably, then, the economic context will deepen the actual or nascent divisions among shop-floor workers that we saw at Budd Kitchener and Budd Detroit; and the emergent divisions among local officials that we saw at Budd-Kitchener between proponents of negotiated cooperation and those opposed to

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<sup>372</sup> Katz and Sabel (1985) maintain that, in the U.S., the IAM, a union with an ideological bent not unlike that of the CAW, approached new management labor strategies in a similar way: "Regional staff members and local leaders were urged to press for iron-clad guarantees of the union's right to participate in, for example, quality circles. The hope was that such demands would thwart local initiatives."

cooperation in principle or opposed to specific contractual changes.

In the near future, because of the discrediting of institutional forms such as teamwork and EI within Canada in the 1980s, supporters of negotiating a transition to flexible work organization among union officers, facilitators and rank-and-filers will probably lose most politics battles within Canadian local unions; and will face hostility from much of the District Council when they do gain power in particular locals. Power plays to isolate proponents of negotiated cooperation in the short run hold dangers for the union, however. Such exclusion might produce the perception that the union, not management, prevents the improvements in work life that advocates believe embrace of reorganization might bring. Once alienated, if this faction gained strength following the next recession--after which low-seniority workers hired since 1982 may swell the ranks of Canadian would-be craftsmen--it might interpret national union attempts to establish guidelines on the kinds of changes local unions should accept as just another attempt to thwart "participation experiments."

If the union wants to develop its own vision of work reorganization, moreover, workers and secondary leaders attracted by the rhetoric of participation are likely to be critical. This group includes not only opportunists and those most afraid of job loss but also "pro-active" workers

whose frustration about the narrow character of auto jobs has not yet turned to resignation. These are often the first workers to participate in problem-solving groups, to demand the replacement of "old-style" with participative supervisors, and to raise questions about functional barriers within middle management, managerial reluctance to cede control over even small investments and other organizational features that inhibit workers from gaining more autonomy and authority from participation programs. How much the confidence and imagination of these workers is turned towards corporate objectives and job elimination--or towards expanding worker control--depends in significant part on union strategy. By drawing this shop floor faction into a debate about the dangers of union subordination and whipsawing<sup>373</sup>, about the limits that need to be set on local negotiations to avoid these dangers, about how to translate contractual rights on technology and sourcing into real power, and about how to force management to act consistent with the rhetoric of participation, the union would lead them to realize that management and the character of auto work, not the CAW, limit the potential for worker skill development and use on job; and would prevent them from turning against the union as an institution.

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<sup>373</sup> The union could, for example, call a national meeting of facilitators from all companies or demand that all facilitators receive a specific amount of training at union headquarters.

Locally, in Canada as well as the U.S., the attempt to find unifying positions that address the concerns of each "world view" on the shop floor may be inhibited by the underdeveloped state of local union democracy. This, in turn, is partly a function of bureaucratization at the local level. Instead of debate among stewards each representing small groups of workers, local politics at bureaucratic locals becomes a popularity contest and, at some large plants, a battle between opposing machines. Among production workers, in particular, the cost of losing elections and going back to the line reinforces divisiveness and mean that raising alternative points of view is inevitably perceived as political opportunism. As in the U.S., developing unifying union strategies out of local disagreement may require attempts to use "consensus-building" techniques introduced by management within the union; as well as efforts to reestablish union's links with each natural work group.

Can the CAW use the current transformation of labor relations to enhance local capacity for strategic debate and the continual reproduction of a more substantive unity locally? Can it use its more developed capacity for national debate to define new and "common understandings of work practices that [should] set limits to conduct in the industry"? (Sabel and Katz 1985, 314) Can the Canadian union turn the dangers of division and retreat posed by work reorganization into an opportunity to establish an

independent role for the union in management which enables it to reconnect itself to the rank-and-file and incorporate workers in general, as well as local activists, within its "collective identity"?

The September 29, 1989, Canadian Council meeting which adopted the CAW Statement on Work Reorganization signals the beginning of a more explicit national union debate about management's integrated workplace strategy and about how to develop an equally sophisticated CAW response. The meeting itself represented a response to a series of requests from local unions for strategic help from national union headquarters on the teamwork issue. The meeting included an analysis of management's workplace strategy; discussions about reorganization at three specific locations--CAMI, Quebec-St. Therese, and Northern Telecom; the reading of a National Executive Board draft statement on work reorganization that was debated and then adopted by the Council; and opening and closing speeches by White. Among attending Council delegates, there was a visible sense of relief that the national union was stepping forward to more actively guide local efforts to resist and reshape employers' workplace initiatives.

At the meeting and in the statement adopted, the union reiterated more clearly than ever its interpretation of management strategy as an effort to combine ideological pressures and new workplace structures to "replace worker solidarity with total identification with the goals of the

company." Central to management's agenda, the statement added, is the "ideology of competitiveness" which pressures workers towards accepting any changes that will make a plant more competitive.<sup>374</sup> White told the Council, "there's a subtle battle for the hearts and minds of workers, to persuade them that their future is tied to the future of their particular plant." In articulating how the union should respond, White drew a parallel with the fight against concessions in the early 1980s. At that point, employers wanted the Canadian UAW to sell workers on the need for concessions, "but the Canadian union said no." While it made tactical concessions, White said, the Canadian UAW refused to be the vehicle for the corporate message, because if it played that role, workers would turn against the union. With work reorganization, White said,

the companies' want the union to carry the message of shop floor partnership and competitiveness as in the case of concessions. If we do, the workers'll turn on us again.

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374 To quote more fully from the statement: "The new management agenda [is] a sophisticated drive to combine ideological pressures on working people with new structures in the workplace to dramatically change both the way workers think and the way unions respond...The objective is to replace worker solidarity with total identification with the goals of the company...At the center of the management agenda is the ideology of 'competitiveness'. Even without the rest of the management package, we have already lost if 'competitiveness' is the agreed starting point. In subsequent discussions or negotiations based on competitiveness, the bottom line will always revert to 'what's good for the corporation?' So it is critical that we reject competitiveness as the dominant criterion guiding our actions."



White acknowledged that because work reorganization is not as "black and white" as wages and benefits, identifying when teams or other proposals should be rejected would be more difficult.

At the meeting and in the statement, the leadership also pointed to local union separation from the rank and file as a vulnerability in confronting management on the shop floor:

...We must honestly acknowledge some of our own internal problems in the workplace...There are instances in which management takes advantage of a union leadership which takes time off outside the workplace--while getting paid--when they should be in the workplace representing workers; a leadership that does not adequately communicate with the members; and the emergence of new, full-time, non-elected joint management-union appointees who perform corporate functions. These are problems at any time, but combined with (and used by) the management agenda we face today, they are particularly serious.

Council delegate Herman Rosenfeld from Scarborough Van expanded on the issue of the union's "Achilles' heel".

Unions need to develop in a participatory way. They have to get more contact with people. There is a vacuum in participation and the company is using that. We need to move away from full-time rep's. We have to get inside these programs; we have to come up with our own program for empowerment. We need to get our local leadership and shop committees together to analyze collectively, what strategy do we want to use in each area of the plant? (See also Rosenfeld 1989)

Indicative of the point the union is at in the evolution of its thinking, its articulation of what local union's should fight against is more specific than its outline of the union's own program. Specific dangers

listed in the CAW statement include: weakened transfer rights and seniority provisions, the introduction of standardized operating procedures that limit worker discretion about how jobs should be performed, the use of peer pressure to regulate workers, and the effort to make jobs so lean that no jobs remain for older or disabled workers. The statement ends by saying:

We support efforts to involve and empower workers, to increase worker dignity, to produce quality products with pride, to make jobs more rewarding and workplaces more democratic. These objectives will be achieved through our own agenda for change, our own demands around: training, technology, improving jobs, improving the work environment, guaranteeing health and safety, strengthening mobility rights, strengthening affirmative action, strengthening the union.

White closed the meeting emphasizing that some plants, especially small ones, would accept pieces of management's agenda when faced with plant closings. But he reiterated the warning that union leaders not sell this agenda and then underlined to the delegates that they should remember that their welfare depends on labor's ability to act beyond the individual workplace: "Keep in mind, whatever you do pragmatically, that if you want better wages, shorter work time, etc., you need a strong union and a strong labor movement."

In the days after the council meeting, the union began the process of educating the rest of its membership about management's workplace strategy as well as trying to stimulate debate about the union's own agenda. It ran an

educational for ten trainers who then began running training sessions for local officials and activists in their geographical area. The union also held a technology conference for 150 workers to encourage and equip them to play a more active role defining and developing the union's agenda. A union film shown at the conference, "The Two-Edged Sword" conveyed a message that ran through the statement on work reorganization: that technology and work organization may help or hurt workers--the difference is what workers and the union do to ensure that they have an influence on their social implications and get a share of the productivity benefits. The more concrete message of the technology educational was that local union members should begin to use the contractual letters establishing training and technology committees; or bargaining for these letters if their contract did not have them.

In one scenario, then, the CAW has begun the process of developing a workplace strategy in which each action it takes generates new questions about the union role long thought closed; a process which leads to wide recognition among CAW activists that the consequences of technology and work reorganization for health and safety, job content, skills, career ladders and other worker concerns are socially determined; a process that leads ineluctably to a redefinition of the union's structure and role within the plants, to an attack on the notion of managerial prerogative, and to new questions about the union's

relationship to floor supervisors and to engineers;<sup>375</sup> a process in which low-level union representatives or worker-allied, bargaining unit supervisors gain a role in the management of production that would give the union an organic link with workers on the job; and in which training, technology planning, health and safety, ergonomic, and other committees are appended to the kind of organizational model of shop floor relations that existed in the Budd Wheel department; and a process which produces a concrete alternative to the Toyota production system.

In the short run, as part of its effort to move towards a negotiation model of workplace reorganization and management, the national union hopes to make at least one service representative in each area an expert on work organization issues, contract language, and strategy. In the long run, it recognizes that far more resources will have to be devoted to the development of union strategy on technology, careers, training, etc.: this will mean importing other ideas from Europe such as technology

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<sup>375</sup> The higher level of union coverage among professionals and engineers in Canada would make an auto union alliance with these groups easier than in the U.S. In Canada in 1986, 35.6 percent of managers and professional workers were organized and 22.5 percent of technical, sales and administrative workers were organized. The same figures for the U.S. equalled 14.8 percent and 10.8 percent (Troy 1988, table 9). In Australia, 20,000 thousand members of an engineers union recently affiliated with the metalworkers union there (on Australia's attempt, under Labor Prime Minister Robert Hawke, to develop a flexible, competitive economy through an expansion of industrial democracy and labor market adjustment programs along the lines of the Swedish model, see DOTA 1987).

stewards, and a national Department of the Work Environment to develop and then diffuse labor's alternative to the Toyota system.<sup>376</sup> Though little is known about social relations in smaller, Canadian-owned parts companies, an attempt to develop a union vision of work reorganization might work better there than at assemblers where attachment to managerial prerogative is strongest and commitment to investment in Canada is weakest.

There are, however, two more likely scenarios. Ambivalence remains within the union concerning how much the CAW should attempt to gain a role in management and whether such an attempt would jeopardize union independence. In part, this stems from the fact that much of the CAW's secondary leaders first won office because of their capacity to defend workers from the supervisory abuse that defined Fordist North American management: they are deeply suspicious of being manipulated in negotiations about the introduction of flexible work organization. It is far easier to retreat to familiar terrain in which work rules and the grievance procedure define the sum of labor-management interaction. Moreover, the personal interests of some union officers are threatened by any redefinition

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<sup>376</sup> A sectoral training fund proposed by a joint committee of electronics sector employers' association and unions in Canada will finance paid-education leave for training technology stewards (Warrian 1989). The group of unions on the committee initially included the CAW, but the auto workers dropped out to protest federal government plans to fund training programs partly through tightening eligibility requirements for unemployment insurance (see D below).

of the union role precisely because their reactive impulses are deeply ingrained. Though resistance alone may not be a tenable strategy in the long run, the habits, ideology and personal interests of traditional militants may stymie reorganization until the union faces more disadvantageous economic and political conditions--and accepts reorganization on managerial terms.

On the other hand, the union's national debate about reorganization, its PEL program, and the corporations' own problem-solving training may produce a local counterweight to "reactive" traditionalists that wishes to negotiate an expansion of union input into management decisions.<sup>377</sup> If that happens, the question becomes management's response. As White noted in December, 1986:

The question of whether labor relations will, in fact, move in a truly new direction depends on both the emergence of [a] workers' agenda and on how the corporations will respond. Will the corporations share the benefits of the advancing technology and the changes in workplace organization? Will the corporations, in fact, give up a significant part of their power to workers?

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<sup>377</sup> The creation of additional part-time, off-line jobs for technology stewards, trainers, substance abuse advisors, career trainers, etc. as part of an expanded union role could help shift the balance of power locally. Put differently, the secondary leadership may be young and flexible enough that a sufficiently visionary adaptation would actually benefit a substantial fraction of the union's secondary leadership. The accumulated number of activists trained in the union's six-week PEL program may soon begin to have an impact on CAW internal life. At a Canadian Council meeting in 1988, a delegate complained to White that the program was creating a bunch of shit disturbers that were coming back to the local and running against the established leadership. White responded "that's exactly the point."

Perhaps the most likely result, if the union develops and begins pushing a workers' agenda locally, will be corporate acceptance of its inability to impose a "pure" Toyota model in Canada but its refusal to allow the union to use reorganization as a means of revitalizing rank-and-file commitment or as a tool for making substantial or open-ended inroads into managerial prerogative. Put differently, as long as the CAW retains its dominant influence over informal groups in the workplace--and is thus strong enough to prevent subordinate unionism--management may try to confine the union to a "third party" status in the workplace (Robertson 1989). Legal rights, competitive conditions, and corporate desire for stable labor relations might lead management to share more information and to negotiate over plant closings, the introduction of substantial investments and specific actions; but not to grant workers generally a qualitatively more autonomous role on the job and, through union representatives, a share in higher-level decisions. Thus the spread and extent of work reorganization and worker participation would be limited by the lack of overlap between the management and union visions of acceptable terms for more substantial change.<sup>378</sup>

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<sup>378</sup> Cole (1985) explains the slow diffusion of shop floor small group activity in Sweden in the 1970s as a consequence of management's loss of interest after the unions' began using reorganization as a vehicle for raising the "workers' control" issue and thus it became clear that management could not control the purpose and implications of small groups.

Whether and how long this limited change scenario would be stable depends on political and economic conditions. Intense competition, high unemployment and reductions in the Canadian social wage could increase the fear and cost of job loss and give management the power to control the consequences of more fundamental workplace reorganization. Labor construction in national bargaining and politics of a more developed "exo-skeleton" beyond each plant which constrains--especially by lowering unemployment--employer attempts to use fear as the basis for wage concessions, work intensification, or labor-management cooperation; which facilitates competition based on expanding the autonomy and responsibility of a highly skilled workforce; and which compels employers to expand information sharing and consultation with labor could lead to a more fully developed negotiation model. It is to the prospects for the construction of such an exo-skeleton in the U.S. and Canada that we now turn.

D. Beyond the Firm: Sectoral Institutions, National Industrial Strategy and the Politics of Inclusion

As we saw in Part II of this dissertation, the role of the state and of union-employer association bargaining in shaping competition in the North American auto industry historically was quite limited. In the current restructuring, prospects for stabilizing an inclusive pattern of development in the U.S. and Canadian auto



industry hinge on the strengthening of sectoral institutions and of the "regulatory" and "developmental" role of regional and national government so that market competition is channelled towards the development and use of skill and cooperation in production.<sup>379</sup> In concrete terms, this means establishing legal or sectoral constraints on wage and non-union competition; strengthening sectoral and state institutions for promoting workforce skill development and the technical capacities of small and medium-sized firms; and increasing the social wage, establishing active labor market policies, and strengthening political commitment to full employment so that worker vulnerability does not facilitate the proliferation of substandard terms of employment.

Since the exo-skeleton in liberal-pluralist North American Fordism suffered from calcium deprivation, the political challenge facing the UAW and CAW since 1979 has been one of mobilization and institution building more than one of adapting existing institutions to a new economic and technological context. Only mobilization could create the political conditions conducive to the construction of the institutions beyond the firm necessary to sustain an inclusive pattern. In the U.S., UAW and labor movement retreat from mobilization in the early 1980s have meant continuation of a conservative political context which

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<sup>379</sup> Hill 1989 introduces the notion of developmental and regulatory state roles to distinguish between historical practice in Japan and the U.S.

allows little room for progressive institution building. Given the ever more dismal economic choices faced by semi-skilled workers in the U.S., and given the fragmentation and confusion--as well as numerical decline--that has accompanied the labor movement's retreat from confrontation, the possibility of an attempt at mobilization to reverse the growing polarization of U.S. society (much less a successful attempt) seems more remote than ever.

In Canada, by contrast, the auto union's and labor movement mobilization against concessions and the FTA have sustained the possibility of establishing an inclusive regulatory structure. As in the 1970s, auto union and labor movement activism have strengthened labor's capacity for mobilization; increased its willingness to tactically combine direct action and political lobbying; and cemented the unity and commitment of their activist cadres. Moreover, while Canadian labor's success at institution-building has been modest--and the FTA itself is a big step backwards--the activism of the 1980s has bought the CAW and its allies closer to the articulation of institutional solutions to the problems that they face; and created a political coalition that might, after future elections, bring a progressive vision into being.

i. The U.S.

In the U.S., the major effort to construct "non-market" institutions for promoting a progressive pattern of development in the auto industry has emerged in the state of Michigan (Hill 1989; Osborne 1989; State of Michigan 1984). Here, the 1979-1983 recession and 17 percent unemployment created a political context in which Democratic Governor James Blanchard felt compelled to search for a way to prevent the continuing decline of the state economy's auto and manufacturing core. Over time, the programmatic focus of Michigan's state-level industrial policy initiatives has increasingly targetted its economic "base"--small and medium-sized firms employing 20-500 employees (Luria 1989).<sup>380</sup> These "foundation firms", about half of which produce machinery or parts for the major automakers, account for 44 percent of manufacturing employment in Michigan (441,000 jobs) and close to half of the state's value-added (Luria 1989, 5). Plants that employ less than 20 workers create much less aggregate employment and are highly volatile. Larger companies create as much employment as the "base" but have enormous resources of their own. The state also stands a bigger chance of appropriating benefits it provides to foundation firms than it does the largest, most mobile firms.

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<sup>380</sup> It is still true that larger firms, because of the political leverage associated with concentrations of jobs, monopolize the state's financial concessions and training monies (personal communication with Jim Jacobs).

Michigan's decision to focus on foundation firms also grew out of the observation that productivity, the use of technology, and wages in these firms increasingly lagged those of bigger firms--as one would expect in a segmented model. By providing technical assistance to base firms and fostering cooperation and the sharing of resources among them, the state hopes to convert them into a huge "industrial district" focused on strategically-defined high value-added niches in the production system. An industrial extension service called the Michigan Modernization Service (MMS) delivers the technical assistance. MMS helps firms assess their technology needs and deploy new technology and new operating practices. MMS and a quarterly magazine called Modern Michigan encourage base firms to articulate and express their interests politically. The size of base employers, and the difficulty that they would have adapting to an increasingly globally decentralized production system, makes them potential political allies of organized labor and of communities. The underdeveloped nature of U.S. business associations of small- and medium-sized firms, however, means that, to date, their interests, like labor's, tend to get left out of policy considerations.<sup>381</sup>

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<sup>381</sup> There are three auto sector trade associations in the U.S. While they have overlapping memberships, the Motor Vehicle Manufacturers Association is dominated by the Big Three; the Motor Equipment Manufacturers Association is dominated by large suppliers; and the Auto Parts and Accessories Association (APAA) represents more small, domestic and aftermarket suppliers. The APAA has historically had little voice in public policy. In the early 1980s, after intense lobbying, it persuaded the U.S.

The long-term implications of Michigan's efforts for the productivity of its foundation firms remain to be measured. After a slow start that state officials attribute to ideological ambivalence to government assistance even among small companies, requests for state services have grown exponentially.

While the Michigan government has constructed important institutions for promoting industrial dynamism that would likely be part of an inclusive pattern of development, it is hard to imagine MMS alone--even as a national program--overcoming the pressures towards low-wage competition within the U.S. IPS sector. The U.S. political context, however, has meant that attempts to build complementary institutions that would protect labor during and after restructuring have languished even within Michigan, the heart of UAW strength. A tax revolt and subsequent loss of the Democratic majority in the Michigan State Senate led Blanchard to abandon efforts to maintain welfare outlays as part of his program. The training component of the state's industrial policy is "weakly

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Department of Commerce to establish a small department to attend to parts sector concerns as distinct from Big Three concerns. It later found that the first head of the new section, Robert Watkins, was consulting with Japanese transplant suppliers even before he left his government position (Choate 1990, 57-60). APAA usefulness as a UAW coalition partner is hampered by its ideological commitment to free trade. This last is reflected in its emphasis on opening the Japanese market despite the fact that this is highly unlikely to yield them much business; and despite the far greater leverage the U.S. government has to alter Japanese sourcing practices in the U.S. to the benefit of U.S. suppliers.

organized" (Hill 1989); and "representatives from labor unions have been absent from debates around" the shape of training programs that do exist (Jacobs 1987, 14). Thus the issue of whether training accentuates or helps contain workforce polarization has not been raised. More generally, attempts to build tri-partite structures for planning development have gone nowhere (Hill 1989).

Conceivably, UAW mobilization around the cost of restructuring to workers--and an explicit attempt to strengthen labor's alliance with small- and medium-sized business threatened by restructuring--might have produced more developed and labor-oriented state industrial policy. The UAW's continuing pre-occupation with the Big Three and the politics of labor-management cooperation, however, mitigated against both mobilization and the direction of attention to the industry's periphery.

In the absence of complementary state, federal and sectoral institutions, some aspects of industrial policy in Michigan and other states may actually hurt the most vulnerable auto workers. Tax breaks and other assistance to new plants offered by state and local authorities are almost certainly accelerating the inter- (and intra-) state relocation of production that leaves unemployment at 30 percent in urban Detroit seven years after the beginning of an economic recovery. Competition between Michigan and other states for investment has led states to pay 25-50 percent of the cost of new assembly facilities, most of the

recent ones Japanese transplants which import far more of their parts than the plants they displace (Howes 1989; Miller 1988; Clark 1989).<sup>382</sup> Parts plants have also received substantial state give-aways.

At the federal level, a heavily democratic Congress and the Bush Administration have replaced the Reagan Administration's attacks on the social wage with a more eclectic policy mix. The passage of legislation mandating notice of plant closings and the 1988 Trade Act--which creates tools that could be used to move towards managed trade--suggest declining faith in the market's capacity to reinvigorate the U.S. economy by itself. The Administration's intention to negotiate a free trade agreement with Mexico--an agreement that, without popular pressure, is unlikely to include a strong "Social Dimension" or much attention to debt forgiveness and continental macro-economics--underlines that commitment to "free trade" and sensitivity to the concerns of large corporations remain political priorities. In this context, the labor movement's continued allegiance to bureaucratic politics--and its failure to explore the possibility for deeper alliances with other progressive groups--suggest that any continental institution-building or expansion of

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<sup>382</sup> Even the MMS, should it increase the productivity of the plants it serves, has ambiguous consequences for workers because it may increase displacement (Darber et. al 1987, 253). Inter-state competition also leads states to pressure unions for concessions as, for example, when Michigan Secretary of Commerce Doug Ross pressured the Pontiac Truck and Bus Local for concessions.

federal government's role in the economy in the next few years will do little to stem the polarization of U.S. society.

## ii. Canada

In the early 1980s, the Canadian UAW's mobilization in bargaining and politics led the Trudeau government to include the union on the tri-partite Federal Auto Task Force charged with developing a plan for strengthening the Canadian auto sector. The Task Force identified auto as a major contributor to Canadian employment and output; and as a key linkage industry, particularly because of its role as a developer and user of new technology. The Task Force outlined a set of policies centered on the extension of Auto Pact performance requirements to all major sellers of vehicles in Canada. The prospects for implementing this recommendation eroded with Brian Mulroney's 1984 election and even more with the federal government's subsequent pursuit of the FTA.<sup>383</sup>

The importance of this defeat and the questions it raises about CAW and other Canadian unions' capacity to

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<sup>383</sup> Although the Trudeau government did not implement the main Task Force recommendation, it did take a big step in that direction by negotiating private agreements with the major Japanese producers to increase their Canadian production. These agreements, the details of which were not made public, were thought to be a step towards the fuller imposition of Auto Pact safeguards (Wonnacott 1989). The FTA, however, specifically prohibits the extension of Auto Pact requirements beyond the Big Three. It also requires phasing out the conditions in the unpublicized agreements.



mediate the pressure of restructuring and competition unleashed by the FTA cannot be ignored. On the other hand, the battle over the free trade agreement had important political benefits. Concern about the implementation of the FTA and earlier disenchantment with both the substance of Mulroney's attacks on social programs and the U.S. origins of his Reaganite vision all helped revive a broad nationalist coalition and:

...gave birth to the Pro-Canada Network--an alliance of unions, the women's and environmental movements, artists, farmers and native people, anti-poverty groups, the peace movement and the churches--a movement which holds the potential of countering Canada's incorporation into a continental neapolitan [i.e. segmented] regime (Mahon forthcoming, 17).<sup>384</sup>

While a Pyrrhic victory in the short run, the 57 percent popular vote split by the NDP and Liberal opponents of the FTA indicates the latent power of the coalition.

By bringing the issue of how Canada will adapt to the new international economy to the center of Canadian politics, and by solidifying and building the mobilization capacities of a post-Fordist variation of the progressive, nationalist Canadian political coalition, the FTA fight may, ultimately, make it more rather than less possible for Canada to institutionalize a pattern of development distinct from the "hourglass" society emerging in the U.S. (Mahon forthcoming, 26).

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<sup>384</sup> Mahon argues that the Pro-Canada Network made good on the attempt by the Waffle faction of the NDP two decades earlier to make the articulation of a nationalist economic strategy a top priority of the labor movement and NDP.

As well as bringing a progressive coalition into being around a common desire not to become more like the U.S., losing the free trade battle underlined to the trade union movement and its political allies the need to move beyond defensiveness by articulating its own vision of the next national pattern of economic development, one that gives a more organic unity to the post-Fordist Canadian progressive coalition in the 1990s. Mahon (forthcoming) sees this emerging program consisting of a combination of "diversified quality production" and quality mass consumption: i.e., production of a wide array of high quality manufactured and service goods by workers whose incomes are high enough to generate demands for quality goods and services. The Ontario Federation of Labor's (OFL) recent "Dealing with Free Trade and the Conservative Agenda" incorporates most of the constituent elements of this program (OFL 1989, Document 1).

Within manufacturing, Mahon's articulation of a progressive pattern of development centers on the embrace of high value-added production. Unlike recent government documents that also recommend this path, the trade union vision pays closer attention to pursuing diversified quality production in a way that blunts tendencies towards labor market segmentation.<sup>385</sup> In the auto sector, four

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<sup>385</sup> For the Ontario provincial government's view see Ontario Premier's Council 1988; for the federal government's view see de Grandpre 1988 and EIC-Canada 1989a.

institutional components of an inclusive high value-added pattern have been developed or proposed: a program to help IPS firms modernize; a sectoral human resource initiative; legislation to contain wage competition in parts firms; and increases in worker and community compensation for and participation in plant closing decisions.

The first of the four elements resembles a small-scale version of the MMS. Industry, Science and Technology, Canada (ISTC--Canada's Commerce Department) started the Automotive Components Initiative (ACI), a three-year sunset program, because of continuing concern about the low levels of research and development and the foreign domination of the Canadian parts industry.<sup>386</sup> The ACI provides small Canadian suppliers with up to \$10,000 in matching funds to hire a diagnostic consultant to help them "take the roof off" their operations and see what methods and technologies they need to modernize their operations.

The second element is a tri-partite assessment of industry skill requirements aimed at implementation of a human resource strategy in the auto parts industry. Efforts in this direction have been predicated on the assumption made by Employment and Immigration Canada (EIC--Canada's Labor Department) that the competitiveness of Canadian industry in the future depends less on technology--which any country can buy--and more on whether a country's

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<sup>386</sup> While Michigan is a center for a great deal of engineering and design work in auto, Ontario is the site of very little.

workforce can get the most out of technology. The first human resource initiative in auto was the 1986 report of an industry human resource task force chaired by White, the President of the Automotive Parts Manufacturers Association, and the chairman of AMC-Canada (EIC-Canada 1986). That study underlined the critical competitive significance of human resources and the need for more substantial and better coordination of public and private investment in training.

For three years, this 1986 assessment led nowhere. As well as the limited resources of state planners, the dominance of the auto sector by the Big Three, where training has taken place on a company basis; and the union's preoccupation with the free trade fight partly explain this delay. In 1989, however, EIC initiated a second, tri-partite human resource assessment, this time focussed exclusively on the auto parts sector. The new study's terms of reference are to update the analysis of industry restructuring and its implications for skill requirements in auto parts that took place in 1986; to evaluate existing skill development infrastructure in Canada; and to develop an "action plan" for meeting the skill requirements of the industry (EIC-Canada 1989b).

What the plan coming out of the auto parts sectoral committee might look like is suggested by the proposals of a similar joint labor-management human resource committee constituted in the electrical/electronics (EE) sector

(Connections for the Future 1989). The joint committee concluded

that business and labour in the industry regard improving the industry's skill levels as the "core" issue, vital to the interests of both parties and the future of the industry (Connections 1989, xiii).

The EE joint committee proposed a sector-wide training fund which would fund vocational training and upgrading for current employees; a code of principles governing the implementation of technical change; and provisions for paid education leave for union education programs and training of technology stewards. For employers, sectoral general (or industry-specific) skills training helps overcome individual employer's tendency to underinvest in training because they cannot capture the returns. For labor, general training provides individual workers with more choice, opportunity and leverage; it could also be a prelude to more elaborated structures for improving employment security in the manner of the construction sector. Where labor's skills and its "militant" attitudes towards employers make the productive use of technology problematic, negotiation over its implementation provides management with a route to higher performance. Especially where technology implies recomposition of skills, unions and workers gain a chance to shape it in ways that foster egalitarian job structures and career opportunities.

At the moment, the consensus on the centrality of training the existing workforce in the EE sector may be

absent in auto parts, especially on the employer side.<sup>387</sup> Heavy job loss and increasing employer confidence in auto parts in the wake of the FTA could also undermine the employer conviction in the need to find a human resource alternative to concessions. Nonetheless, at least in theory, human resource negotiations in auto parts could be a means for reinforcing the integrity of the auto industrial union by diffusing throughout the industry any gains on training and consultation over new technology obtained from the Big Three. Sectoral structures could also help stimulate contact and cooperation among independent firms that converts them into an industrial district.

Whether expanded sectoral training, by itself, could stem the pressures towards segmentation in the auto parts sector remains dubious, however. If, as Warrion (1989, 6) suggests, union resistance to wage concessions helped get employers to the sectoral table in electronics, then keeping them there in auto may require permanent restraints on low wage, non-union competition. In small auto parts

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<sup>387</sup> In EE in 1986, production workers made up 70,500 of the workforce and white-collar workers 77,600 (Connections 1989, iii and 15). In auto IPS firms, salaried workers (including secretarial/clerical employees) made up only 22 percent of the workforce in 1985. Within the production workforce, the skill composition in EE also appears more heavily shifted towards the high end (compare EIC-Canada 1986, 119 with Connections 1989, 21). Related to this, whether sectoral training in auto could lead to employment security achieved through the creation of union hiring halls remains questionable because of the limits to skill upgrading likely even with the most human resource intensive strategy.

firms, limited wage competition could be achieved in a variety of ways--including IPS bargaining on a regional basis and union pressure on the Big Three not to source to non-union employers in Canada (see OFL 1987, Document 1). The OFL recently advocated an adaptation of the "Quebec Decree" system in Ontario to small firms in Ontario (OFL 1989, Document 4). Under this system, in competitive industries such as construction, garments, hairdressers and auto sales, small organized and non-union firms are required to pay a wage based on (but usually below) that negotiated by the largest association of employers and their unions. In the mid-1980s, the Decrees covered 140,000 workers and just over 18,000 workers. The OFL in 1989 advocated empowering the ORLB to define employers performing similar work as a "designated sector"; to compel multi-employer/union (or multi-union) bargaining over future contracts; and to issue a directive extending the economic terms of the agreements to all employers in the designated sector.<sup>388</sup> At the present, given the limits on wage variation within Canadian unionized firms, and given the limited union/non-union differential, the union might face limited resistance from the Big Three in an attempt to centralize bargaining and either force unionization on non-union firms or extend compensation to them by law.

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<sup>388</sup> In the same document, the OFL also proposed raising the minimum wage to 70 percent of the average wage.

A fourth institutional building block of an inclusive pattern of auto sectoral development being pushed by the labor movement in Ontario now is the strengthening of plant closing and severance pay legislation in two ways: by using a payroll tax to fund insurance for back pay and severance entitlements that covers insolvent employers; and by introducing accountability procedures that oblige companies closing plants that earn a fair rate of return to pay obligations above the minimum required in the Employment Standards Act. The logic of the Streeck and Sengenberger arguments suggests that limiting wage variation and increasing the costs of plant closing would induce firms to take more seriously sectoral and government initiatives to increase the technological know how of IPS firms and the skill of their workers.

Serious questions remain about whether these still nascent initiatives will head off employer militance and worker concessions in the IPS sector as companies restructure in response to the passage of the FTA. On the one hand, the factors that sustained Canadian auto employment in the 1980s may preserve the inclusiveness of the Canadian auto sector even in the absence of stronger protectionism or managed trade policies: i.e., the value of the Canadian dollar; the public provision of health care in Canada; the Canadian model mix; the more recent vintage of Canadian plant and equipment; and, most important for parts plants, the introduction of just-in-time, which increases



incentive to source close by the many Canadian assembly plants.

On the other hand, the FTA will exacerbate three sources of pressure on labor as it attempts to build an inclusive Canadian auto regulatory structure. The most direct channel is competition with low wage, Mexican and non-union U.S. plants. The low wages at some U.S. parts plants already more than compensates for Canadian health care and exchange rate differences. The longer this difference persists alongside free trade, the more likely is the type of gradual disinvestment from organized Canadian plants that North Central IPS plants suffered in the U.S. beginning in the late 1950s. The second channel is managerial perceptions of Canada as an investment climate. The more a segmented, subordinate union model is consolidated in U.S. plants, the less inclined auto employers will be to deal with a more independent and assertive union in Canada. The third channel is through the Canadian labor market. Manufacturing sectors less well situated than auto (and without the continuing protections of the Auto Pact), will probably face more substantial job losses and pressure for wage moderation because of the FTA. If this increases the pool of unemployed and low wage jobs in Canada, it may tip the balance against the CAW in its

efforts to maintain union coverage and limit wage variation.<sup>389</sup>

As a result, the CAW's prospects for weaving a web of mutually reinforcing restrictions on and inducements to management; and for creating a dynamic, inclusive Canadian auto sector depend very much on political economy outside auto; and on whether the Canadian labor market can prevent the drift towards a two-tier society seen in the U.S. In this regard, the increasingly explicit debate about economic strategy prompted by the FTA fight, and the emergence of a progressive version of restructuring, at least temporarily provide the CAW with reason for hope. The progressive national pattern described in recent OFL and trade union documents follows Mahon's (forthcoming) recommendations for combining quality mass consumption with diversified quality production in a way that relieves the pressure on semi-skilled and unskilled workers in Canada: i.e. generalizing throughout manufacturing the emphasis on human resource development and checks on non-union and low wage growth; preventing the proliferation of low-wage service jobs partly through public provision (perhaps through decentralized delivery) of high quality, high wage services; and strengthening the social wage, requiring

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<sup>389</sup> To date, little of the growth in the inequality of the U.S. income distribution--with less educated, semi-skilled, young workers (primarily men) suffering the biggest relative and absolute hourly wage declines--has been observed in Canada. Young workers, generally, have suffered some loss of earnings relative to older workers (Myles et al., 1988; Beach and McWatters 1990).

justification of community and worker compensation for plant closings; and establishing social control over pools of "countervailing capital", one of them a derivative of the Swedish Wage-Earner Fund idea (OFL 1989, Document 1, 6).

As the Mulroney government's attempts to guard its flanks against the economic dislocation predicted by its opponents, significant institution-building is already taking place nationally on human resource development. Thus, the Federal government's Labor Force Development Strategy allocates \$65 million for human resource planning in all sectors and cites the electronics sector efforts as a model (EIC-Canada 1989a). The strategy also allocates \$100 million for entry-level skills development and another \$100 million for displaced older workers. It takes a step towards the Swedish active labor market emphasis on retraining as opposed to income maintenance by shifting \$350 million to training of UI recipients.

The fact that the Labor Force Development Strategy has been funded in substantial part by reducing eligibility for UI benefits and that the government has simultaneously sought to cut income taxes that would be necessary to fund an expanded public sector makes it clear that the challenge facing the Canadian labor movement remains political as well as programmatic. Given this, it is significant that the Canadian trade union movement has begun to articulate their strategy in a way that anticipates the potential

fault lines in the Canadian progressive coalition and thus gives that coalition a more organic unity.

In its articulation of a "Worker-Driven" training strategy, the trade union movement has explicitly addressed the potential for training to reinforce polarization and sought instead to make it a "vehicle for equity" and for overcoming past discrimination against women, visible minorities and others (Martin 1989, 2; and OFL 1989, Document 5, 3.) As part of the attempt to shape training programs in egalitarian ways, the labor movement aims to increase its control over training, through its affiliates education centers and through central union facilities such as the OFL's province-wide literacy and second-language program, "Basic Education for Skills Training (BEST)". In its proposals for a high wage, high quality service sector focused on the need for public provision of child and nursing home care, housing, and public administration of recycling and waste management, the OFL has attempted to strengthen the labor movement's ties with the environmental movement and with families and communities.<sup>390</sup>

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<sup>390</sup> The CAW has also been involved in child care as well as housing initiatives. Most prominently, it has worked closely with the Windsor Labor Council to set up a union-run child care center in Windsor. The union's sensitivity to human rights and women's issues in recent years also meshes with the labor movement's attempts to increase its links with communities, the women's movement, and minority groups. Do child care, housing, health and safety, and municipal training structures in Toronto, Windsor and elsewhere, suggest an embryonic "municipal unionism" that could provide another in a matrix of mutually reinforcing plant, regional, and sectoral solidarities?

To the extent that the union's embrace of workers concerns on the job, in their careers, in their families and in their communities make concrete a progressive pattern of Canadian development and cement the progressive coalition represented by the Pro-Canada Network, it makes more conceivable the election of an NDP government (or minority government with NDP participation) that would implement this pattern; and, in the process, buttress the CAW's capacity to preserve an inclusive pattern of development in the auto industry.

E. If Not Now, Then When?

The construction of an institutional exo-skeleton which can sustain an inclusive pattern of development depends on the survival of independent, cross-cutting unions which see their role as regulating the social dimension of market-place competition. The survival of an independent labor movement, in turn, depends on the ability of unions to resolve the dilemma defined by Piore (1985): i.e. to simultaneously serve the immediate interests of their members and connect their existence to the interests of society as a whole.

In the United States, the UAW's ability to address the immediate concerns of its members, and thus its strength at the base, eroded gradually during the postwar period. Beginning in the late 1960s, the U.S. labor movement also began to lose the place in society it had held since World

War II. Rising imports and declining productivity undermined the Keynesian justification for union wage increases; and led the public to see work rules as evidence of featherbedding rather than an essential check on managerial authority. Politically, the weakening of the labor-led postwar progressive alliance in the U.S., reinforced by declining union coverage and the rising union/non-union wage differential, meant that unions lost their identification with the common good that solidified their position after the Depression.

In the deep Reagan recession of the early 1980s, U.S. management in the auto industry (and elsewhere) sought to capitalize on labor's organizational and political vulnerability by rolling back the gains unions had made in collective bargaining. As it did, and as it labelled unions more clearly than ever as an impediment to prosperity rather than a reason for it, it further weakened membership commitment and labor's place in society. Moreover, management's initiatives heightened the apparent contradiction between union efforts to serve its members and society at the same time: the more the UAW sought to enhance its image of responsibility by moderating contract demands and accepting responsibility for the competitiveness of employers, the more some members perceived themselves as being sold out.

As the 1980s progressed, and auto management shifted its emphasis from simple concession demands to attempts to

more fundamentally alter labor relations along the lines of the Toyota, enterprise union model, the crisis of the industrial union looked more and more likely to end with its dissolution. Projecting the events of the 1978-1990 period to the end of the century, one can clearly discern the outline of a segmented pattern of development in which an industrial union representing workers throughout the industry is replaced by loosely-federated competing locals. By the year 2000, Japanese transplant employment would reach about 40,000, two-thirds of which would be non-union. Big Three assembly employment would drop to below 200,000 as would Big Three parts plant employment. UAW IPS membership would shrink to below 50,000. Non-union parts employment would be around 250-300,000. Union coverage for the auto sector as a whole would be about 60 percent.

Projecting recent relative wage changes to the year 2000, we find wages for production workers at the few remaining organized suppliers would be about 70 per cent of wages at Big Three assembly plants; wages at lower tier non-union suppliers competing with Mexico and other NICs would be 50 percent or less of the Big Three.<sup>391</sup> Turning to plant-level labor relations, extrapolating current trends, the subordinate union pattern would exist in transplants, a significant proportion of Big Three plants and transplant suppliers, and a smaller proportion of

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<sup>391</sup> Details on how these estimates were made are available from the author.

organized and non-union, U.S. owned first tier suppliers. An autocratic pattern would prevail in second-tier suppliers and plants or work groups where a subordinate union pattern does not prevail in the assembler core and first tier suppliers. The negotiation pattern would be largely restricted to skilled workers. How much dynamic business strategies would persist alongside growing wage and work standard competition is open to debate.

At some point, if present trends continue, the evolution of a segmented structure, and of subordinate union plus autocratic patterns of social relations at the local level may become irreversible. Shop-floor attachment to the union may become so weak, and the embryonic enterprise union conviction that improving plant-level competitiveness is the only route to prosperity may become so strong, that workers and local union officials will no longer respond should the national leadership attempt to mobilize to establish stronger checks on competition within companies; in the industry as a whole; and politically.

The current generation of UAW leaders certainly recognizes the need for changes beyond the workplace, at the sectoral and political level, to transform the move towards segmentation into a more inclusive pattern of development. What they lack is the confidence to take on the monumental mobilizing and political task necessary to construct the other pieces of that pattern. At the moment, UAW leaders appear locked into self-fulfilling prophecies



about their lack of power to change the industry's direction. These prophecies have led them to worry first about whether more militant actions might cost even more jobs in the short run; and to impede rather than encourage the development of the broader perspective necessary to avoid plant-level unionism.

The obstacles to successful mobilization, however, are growing not shrinking. If now is not the time to begin an attempt to rebuild the ties among workers throughout--and beyond--the auto industry, then when will that time come? As time passes, the probability that such an attempt will be instigated from within the auto industry shrink. Auto workers, particularly those outside the core of the industry, must hope that somewhere else among the growing mass of low wage workers in the U.S. economy will come a spark that will challenge the growing polarization of our society; and reopen the question of the terms of cooperation.

If the UAW and other industrial unions cannot redefine their role without succumbing to plant-level unionism, the pessimistic vision that Feldman and Betzold draw from their interviews with Ford truck plant workers may well come to pass.

Americans have always competed with other Americans, but now the competition is becoming a war of all against all: cities against cities; regions against regions; union locals against union locals; high-seniority versus low-seniority-workers; one generation against the next. And the corporations determine who wins and who loses. "It is going to be like the Civil

War," predicts [front-end aligner] Joe Roche.  
"The country is going to fall apart. There will  
be a huge gap between the middle class and the  
rich. The middle class will become poor"  
(Feldman and Betzold 1988).

While the very existence of the UAW and the U.S. labor movement as we know it are called into question by the events of the last decade, the Canadian auto union and labor movement are fumbling towards a post-Fordist answer to Piore's dilemma. They are in a position to do this in part because labor in Canada retained its place in members' hearts and society's self-image even until the end of Fordism. In the Canadian UAW, the union's hold on its members owed a great deal to the way it handled discontent as well as to the preservation of more room for worker self-activity on the job. The management of rank-and-file concerns in a way that reinforced rather than undermined membership solidarity owed a significant debt to the union's unique internal structure and the unifying influence of nationalism. Nationalism broadened the appeal of opposition arguments framed as challenges to the dominance of foreign corporations, or as challenges to the U.S. international union leadership and thus forced the regional leadership to accommodate its members' concerns.

Nationalism also played a critical role in sustaining labor's place in Canadian society at large. At the very time when unions lost their place in U.S. society, a resurgence of nationalism helped unions in Canada gain broader public support as an institution that provided a

check on U.S. multinational corporations' control over the Canadian economy and society. In contexts such as the negotiation of performance requirements in the Auto Pact or the demands placed on Chrysler at the start of the 1980s to invest in Canada in exchange for government loan guarantees, Canadian unions were able to define their particular concerns as coincident with broader community interests and economic prosperity.

The FTA represented a defeat for Canadian labor, and the latest and most serious Conservative effort to define labor's demands as an obstacle to prosperity and its weakening as in the general interest. But the political fight over the FTA and its implementation also galvanized the Canadian progressive alliance and prompted it to articulate more clearly than before an alternative to laissez-faire. They have led it to begin an unprecedented mobilization and education effort around the question of how Canada will restructure. Canadian nationalism is again a critical resource in this effort: initially, repulsion from the social devastation observed in the U.S. helped Canadian progressives raise questions about the consequences of allowing social development to be dictated by large multinationals and conservative federal policies; later, if the Pro-Canada forces are able to concretize an alternative vision, nationalism may take the form of pride in Canada's success at finding institutions that make the

market serve the quality of Canadian life rather than undermine it.

Implementing the emerging vision of diversified quality production would give the Canadian labor movement a much more central and initiating role in economic and labor market planning than it had in the past. One suspects that this move towards a more European system of industrial relations would also give it a more secure and permanent place in Canadian society. Implementing it, however, will require that the CAW and other unions, in their political activism, not neglect the first half of Piore's dilemma-- the need to address workers' immediate concerns. As Gindin himself said recently, "if the union doesn't exist on the shop floor, it can forget politics" (quoted in Labor Notes 11/89).

The importance of reaffirming the union's role on the shop floor so that the union has the foundation critical to struggle for a larger sectoral and political role brings us back to the issue of work reorganization. The challenge facing the CAW in the plants is to expand union and worker participation in management in a way that gives the union a more organic connection with workers on the job; and in a way that links to the larger union responsibility for socially constructing the market so that it serves society's democratically-chosen rather than corporate goals. An attempt to do this will confront the CAW with many difficult tactical decisions about how to accept a

management role in a highly competitive context without acquiescing to the managerial view that all other goals should be subordinated to improving productivity and quality. On the other hand, only if lower-level union representatives and informal leaders (and worker-allied supervisors) gain a positive role in co-managing production--and workers have an identity founded on a common set of skills and cooperation in team production rather than on uniform hostility to management--will the union receive the depth of commitment observed in the Budd Wheel Department and among skilled workers in the past. Only in this way would the union obtain the organic links with its members on the job necessary to reproduce worker-union links over time.

In Canada, opponents of proposals for free trade with the U.S., including the CAW relied initially on a defensive logic. Opponents of free trade did not want the Canadian economy to be gobbled up by the U.S. They did not want Canadian workers exposed to competition from low-wage and non-union plants in the U.S. south. They argued that free trade would make Canadian prosperity dependent on the whim of U.S. multinational corporations and threaten Canadian self-determination and cultural identity. The story of the Canadian auto and auto supplier industries raises the possibility that Canada might do more than simply avoid being swallowed up by its amoeboid southern neighbor. In the right combination of circumstances, the Canadian auto

industry might offer the U.S. a positive example of structural transition that benefits society as a whole. A transition that raises productivity and quality, preserves employment and established industrial communities, maintains an independent union, and improves life on the job. In the right combination of circumstances, perhaps this will be the spark necessary to produce a challenge to the segmentation of U.S. society.

## **APPENDICES**





APPENDIX A. PROFILE OF INDIVIDUALS INTERVIEWED<sup>392</sup>A. Budd-Corporate (3)

Chief Executive Officer  
 President, Stamping and Framing Division  
 Vice President of Employee Relations

B. Budd-DetroitManagement (10)

Plant Manager  
 Production Manager  
 Two Employee Relations Managers (1986 and 1988)  
 Two Production Area Superintendents  
 Two General Foreman (one production, one skilled)  
 One Foreman (production)  
 Management EI facilitator

Union (16)

Norm Tunesi, Local 306 President 1986 (skilled worker)  
 Herb Wilpert, Local 306 President 1988 (skilled worker)  
 Erwin Baur, former Local 306 President (skilled worker)  
 Two Committeemen (both skilled workers)  
 Four Production Stewards (one an alternate steward)  
 Four Skilled Stewards (one an alternate steward)  
 Two Non-Production Stewards  
 Union EI Facilitator (a skilled worker)

(10 whites and six blacks; one woman.)

Hourly Workers (25)

19 Production Workers in the Press Shop and Assembly (11  
 blacks and 8 whites; 2 women)  
 Six skilled workers (all white men)

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<sup>392</sup> When individuals have held more than one position, they are counted in the category that applied when they were interviewed. In cases where individuals were interviewed on two different occasions and held different positions on those occasions, I have assigned them to the highest ranking position. There is no double counting in the list below. The list also includes only those people interviewed alone, in two cases with an additional interviewer present.

C. Budd-KitchenerManagement (10)

Plant Manager  
 Production Manager  
 Employee Relations Manager  
 Labor Relations Manager  
 Quality Assurance Manager  
 Two Production Area General Foremen (equivalent to  
 superintendents at Kitchener)  
 One Production Supervisor  
 SPC Manager  
 Management EI Facilitator

Union (15)

Local Union President  
 Former Local Union President Mike McKinnon  
 Two Bargaining Committee Chairmen (1986 and 1987/88)  
 Two additional Bargaining Committeeman (one shop, one  
 office)  
 Two Union EI Facilitators (1986 and 1988)  
 Former Steward/Financial Secretary (a CAW organizer when  
 interviewed)  
 Union Financial Secretary  
 Three Shop Stewards (one immigrant)  
 Two Union SPC Facilitators

Hourly Workers (32)

Four Lead Hands (1 press shop, 3 assembly area)  
 12 Press Operators  
 Three non-production press shop  
 One Skilled Tradesman, press shop  
 12 Assembly Welders

(Six immigrants among the hourly workers)

D. United Auto Workers International Union (9)

One Regional Director  
 Eight Solidarity House staff members: at least one in each  
 of the Research, Budd, GM and Ford Departments.

E. Canadian Auto Workers (7)

Secretary-Treasurer Bob Nickerson (briefly)  
 Administrative Assistants Buzz Hargrove and Sam Gindin  
 Staff members Sim Gill, Pat Clancy (briefly), David  
 Robertson and Jeff Wareham

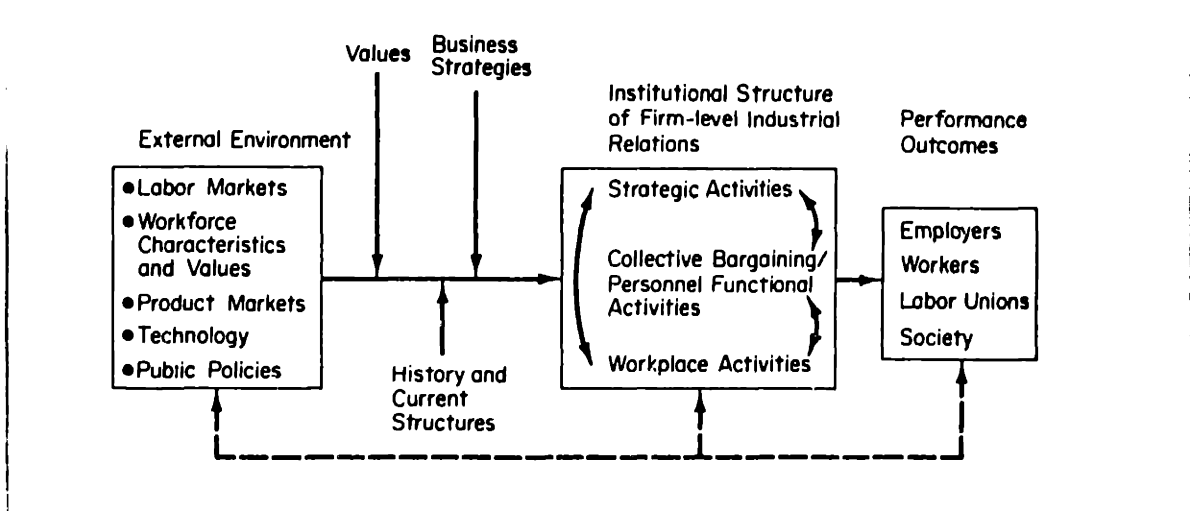
Appendix B: Comparison of the Sectoral Pattern of Development Framework with Kochan et al.'s (1986) "General Framework for Analyzing Industrial Relations Issues"

The distinctions between the institutional model of the auto industry used in this dissertation and in the work of Kochan et al. (1986) can be clarified by referring to their figure 1.1 "General Framework for Analyzing Industrial Relations Issues" (figure B.1 in this dissertation). Turning this figure into the model used in this dissertation requires elaborating some of the elements in their structure; changes in what is exogenous and associated introduction of additional "arrows of influence".

In the framework of Kochan et al. (1986), the influence of the "external environment" on the three levels of the "firm-level industrial relations system" is mediated by firm's "Business Strategies", "Values," and "History and Current Structures." Although it is not quite clear, presumably this last term is where one incorporates the union analogue to business strategy--overarching union strategy. Before doing that, we first need to divide the shop floor tier of the industrial relations structure into two sub-levels: a formal shop floor relations level which includes contract administration and is dealt with primarily by union officers, committeeman and labor relations officials; and an informal shop floor relations level which includes the orchestration (or discouragement)

FIGURE A.1

GENERAL FRAMEWORK FOR ANALYZING INDUSTRIAL RELATIONS ISSUES



Source: Kochan et al. 1986, 11

of collective action. The pivotal actors at the informal sub-level are shop stewards, informal leaders and supervisors all of whom periodically interact with the union officers and labor relations representatives at the formal shop floor level.

Now we can elaborate "History and Current Structures" into a model of internal union dynamics: how does a voluntary association such as a union translate membership diversity into organizational strategy?<sup>393</sup> The key actors in our model of the national union are the secondary and national leaders (one could add national staff and regional leaders). The two other parts of it are the union's internal structures of representation, particularly the institutions for communication and debate among secondary leaders and between secondary and national leaders; and ideology because of its influence on the union's capacity to build a "collective identity" that spans occupational, demographic, and plant-level divisions. Third, in thinking about union "political strategies", which are part of the "strategic tier" of Kochan et al.'s industrial relations system, it will be useful, following Yates 1988, to distinguish between bureaucratic lobbying, membership mobilization, and the syndicalist use of workplace collective action in political battles.

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<sup>393</sup> On this generally, and for a review of the political science literature on internal union dynamics, see Yates 1988, chapter 1, and the references cited therein.

Several aspects of the "external environment" in Kochan et al.'s figure need to be made partly endogenous. Most obviously, "workforce characteristics and values" not only shape but are also shaped by shop floor social relations. Labor markets and public policies are also endogenous, influenced by union collective bargaining and political strategies as well as influencing them. Especially at times of industrial transformation, technology and product markets are also influenced in anticipated and unanticipated ways by the actions of unions (as well as, of course, the actions of firms).

Of course, it is easy--and meaningless--to say that everything is endogenous. The question is whether we can incorporate industry structure (product and labor markets), internal union dynamics, informal shop floor relations, and the political context more centrally into our model, and then trace the interactions among these and the three levels of Kochan et al.'s model in a way that illuminates the gradual disintegration of Fordism in the North American auto industry as well as what might replace it. That is the goal of this dissertation.

APPENDIX C: DETAILED ANALYSIS OF GRIEVANCES AND WORK STOPPAGES AT BUDD-DETROIT

TABLE A.1: WORK STOPPAGES AT BUDD-DETROIT

| YEAR | DATE      | NUMBER OF PEOPLE | DEPARTMENT                   | TIME LOST (Hours) | REASON  | TERMS OF SETTLEMENT  |
|------|-----------|------------------|------------------------------|-------------------|---|--|
| 1980 | 1/15-2/11 | 2030             |                              |                   | Contract Strike   |  |
| 1979 | 8/22      | 107              |                              | 0.1               | Fill out cards to congressman about energy shortage                 | 107 employees docked 6 minutes each<br>5 received warning slips  |
| 1978 | 6/27      | 21               |                              | 105               | Excessive heat  | verbal warnings  |
| 1978 | 6/28      | 17               |                              | 110.5             | Excessive heat  | 14 written warnings; 3 workers--two weeks off  |
| 1978 | 2/21      | 11               |                              | 66                | Excessive cold  | 2 written warnings; 9 workers--2 weeks off   |
| 1978 | 1/9       | 24               |                              | 84                | Excessive cold  | 24 written warnings  |
| 1977 | 7/20      | 42               |                              | 189               | Excessive heat  | 23 written warnings; 19 verbal warnings  |
| 1977 | 7/15      | 59               |                              | 295               | Excessive heat  | 5 written warnings; 54 verbal warnings   |
| 1977 | 7/14      | 12               |                              | 54                | Alleged heat problems   | 12 indefinite suspensions  |
| 1977 | 7/7       | 4                |                              | 225               | Excessive heat  | 3 written warnings; 1 verbal warning   |
| 1977 | 7/6       | 32               |                              | 204               | Excessive heat  | 1 indefinite suspension; 31 verbal warnings  |
| 1977 | 7/5       | 305              | Host of assembly             | 1309              |   | 1 indef. suspension; 2 writ. warnings; 302 verbal warnings   |
| 1976 | 9/23      | 26               |                              | 26                | Die-room employees left after 8 hours of a 9-hour shift             | written warnings   |
| 1976 | 7/15      | 15               | Press Shop                   | 75                | Excessive heat  | 1 indefinite suspension; written warnings  |
| 1976 | 5/14      | 38               | Hub & Drum                   | 86.7              | written warning to an ind'l for not putting forth reasonable effort | written warnings to all participants.  |
| 1975 | 7/31&8/1  | 46               | Press Shop                   | 269               | Heat: 14, day 1; 32, day 2  | 4 suspensions, 3 written warnings, 34 verbal warnings  |
| 1975 | 7/3       | 17               |                              | 112               | Excessive heat  | 1 discharge; 1 12-week suspension; 15 written warnings plus suspension for 7.4 hours and no holiday pay                      |
| 1974 | 7/8&7/9   | 181              | Press shop; some other areas | 998.4             | Excessive heat  | Shifts with sched. 07 reduced to 8 hours for rest of heat spell  |
| 1974 | 7/3       | 1000             | All 1st shift                | 1000              | Heat--leave after 8, sched. for 9 hrs                               | 29 workers involved in 73&74 heat walkouts given disciplinary warnings, told that discipline next time may include discharge |
| 1973 | 8/29      | 321              |                              | 2087              | Excessive heat  | Verbal warning; 90 degrees F according to U.S. weather bureau  |
| 1973 | 8/28      | for a 11         |                              | for a 11          |   | (1) Probationary workers disc'd up to and including discharge;   |
| 1973 | 8/27      | three            |                              | three             |   | (2) 60 have letters entered into their file for leaving twice  |
| 1973 | 7/3       | 17               | Wheel Assembly               | 34                | Excessive heat  | (3) All shifts cut back to 8 hours for rest of heat spell  |
| 1973 | 5/11      | 14               |                              | 98                | Confrontation between supervisor & steward about job standards      | 2-day disciplinary suspension; pay docked; warning   |
| 1972 | 7/20&7/21 | 360              |                              | 2440.50           | Heat  | wages withheld pending griev. proceeding after issuance of 2-week disciplinary layoff to Chief Steward and 13 employees      |
| 1972 | 6/16      | 125              |                              | 708.75            | Protest suspension of a hi-lo driver                                | Lost wages only  |
| 1972 | 2/22      | 29               | Wheel, lift truck            | 205               | Excessive cold/inoperative boiler                                   | Worker found to have neck problem & removed from classif.<br>No disciplinary action taken                                    |

TABLE A.1 (continued): WORK STOPPAGES AT BUDD-DETROIT

| YEAR | DATE      | NUMBER OF PEOPLE | DEPARTMENT                 | TIME LOST (hours) | REASON  | TERMS OF SETTLEMENT   |
|------|-----------|------------------|----------------------------|-------------------|---|---|
| 1971 | 10/5      | 38               | Press shop                 | 166               | Protest of unmanned crane job.  | Written warning   |
| 1971 | 4/1       | 400              | Wheel, lift truck          | 2500              | Protest of 3-day discipline for failing to pull off bad parts   | Worker reinstated with time lost; discharge for same reason in future to remain final |
| 1971 | 2/12-2/15 | 257              | Press shop                 | 1655.1            | Protest of employee discharge for threatening a supervisor  |   |
| 1970 | 9/29      | 62               |                            | 248               | Lack of heat and protest of worker fired for refusing an assignment   | Repair work to raise temp; discharge of worker grieved                                |
| 1970 | 8/20      | 48               | Foundry                    | 384               | Protest working in unpaid lunch period  | Employees threatened with discharge if they did not comply                            |
| 1970 | 8/18&19   | 98               | Foundry                    | 545.9             | Protest after 1st break due to confusion over continuous pouring agreement  | No discipline for this or the previous day  |
| 1970 | 7/3       | 37               |                            | 148               | Excessive heat  | 2 probationary wkr's fired; 35 workers 1-day suspension                               |
| 1970 | 6/29      | 20               |                            | 80                | Excessive heat  | Warning violations for leaving job without permission.                                |
| 1970 | 6/15      | 44               | 262                        | 308               | Leave 1 hour after start of shift after receiving tickets for 6/12 incident   | Committee told to arrange return to work on 6/15, shift 2; violation notices stand    |
| 1970 | 6/12      | 39               | 262                        | 80                | 39 workers leave at 3:30 pm to protest discipline of 28 in 6/11 stoppage  | 18 warning violations for leaving early and not meeting standard                      |
| 1970 | 6/11      | 28               | 262                        | 10.5              | Workers leave job early   | 28 warning violations issued on 5/12  |
| 1970 | 5/15      | 1130             |                            | 4876.8            | Walter Reuther's funeral  | No discipline   |
| 1969 | 7/2       | 2605             | Assembly, all of shift 1&2 | 13759.7           | Committeeman fired for telling worker to refuse out-of-classification assignment; worker fired for refusing job       | 4-day suspension stands to committeeman; 3-day to worker                              |
| 1969 | 5/21      | 2                | Mutt assembly              | 18.75             | Steward told worker to halt because of no response after 6 weeks idled for fixture change; 23 others idled            | Fixture repositioned; written reprimand for steward                                   |
| 1969 | 5/19      | 9                | Foundry                    | 7.5               | Workers left at 3:30 pm with temperature at 83F   | No discipline since supervisors gave out short-week notices                           |
| 1969 | 3/25      | 2306             | Entire plant               | 4732              | Protest 3/18 firing and forced removal of worker for being drunk  | LA managers and steward persuade rest of workforce to stay                            |
| 1969 | 3/1       | 522              |                            | 4176              | Discharge of steward for refusing job   | Discharge reduced to two weeks without pay  |
| 1968 | 2/13      | 207              | 4th flr assembly           | 651.8             | Heaters broken; co. says coldest was 66   | No talks until return to work; 2-week susp. at Step IV, 3/6                           |
| 1967 | 8/22      | 2254             | Entire plant               | 14811             | To protest suspension of committeeman and 3 employees; employees refused an assignment at committeeman's instructions | Employees verbally reprimanded  |

Suspensions lifted after local and international pledge that employees involved would receive a "complete indoctrination" concerning management's rights of assignment



TABLE A.1 (continued): WORK STOPPAGES AT BUDD-DETROIT

| YEAR | DATE       | NUMBER OF PEOPLE | DEPARTMENT               | TIME LOST (Hours) | REASON   | TERMS OF SETTLEMENT  |
|------|------------|------------------|--------------------------|-------------------|--|--|
| 1966 | 12/6       | 49               | Mutt assembly            | 400               | Paint fumes on Mutt job  | 49 employees suspended for 2 days; grievance processed requesting pay for disciplined employees                      |
| 1966 | 6/16       | 48               | Wheel                    | 273.6             | Firing of worker for passing poor stock  |  |
| 1966 | 5/25       | 74               | Mutt assembly            | 306.8             | Paint fumes on Mutt job  |  |
| 1966 | 4/19-4/22  | 450              | Maintenance              | 9044.2            | Foundry maint. transfer: overtime and seniority issue  | Company and union instruct employees to return to work   |
| 1966 | 4/26       | 82               | Maintenance              | 557               | Paint fumes on Mutt job  | 10 men given 2 days off, 2 men given 4 days off  |
| 1966 | 3/29       | 180              | Mutt assembly            | 1048              | Protest layoff of die-setter more senior than retained employees.  |  |
| 1966 | 1/31-2/1   | 12               | Press Shop               | 48                |  |  |
| 1965 | 10/23-25   | 309              | Maintenance              | 6500              | Suspension of machine repairman  | Transfer as proposed   |
| 1965 | 9/27-9/28  | 517              | Foundry maint.:          | 4948              | Skilled transfer to foundry  | Company agreed to move table back; 5 disc. warnings  |
| 1965 | 9/22       | 54               | Truck Repair             | 2                 | Demand return of lunch table to garage   | Discharge reduced to warning plus loss of time   |
| 1965 | 8/8        | 31               | Press Shop               | 124               | Steward discharged for insubordination   | Return to work (unclear if steward reinstated)   |
| 1965 | 8/4        | 38               | Wheel                    | 197.4             | Steward discharged for intoxication  | Agreement reached  |
| 1965 | 2/6-2/19   | 4452             | Entire plant             | 354298            | 1964-65 Contract negotiations  |  |
| 1964 | 11/30      | 12               | Grinding Room            | 96                | Job assignment in grinding room  | 12 3-day disciplinary suspensions  |
| 1964 | 8/5        | 25               | Maintenance              | 75                | Excessive noise  |  |
| 1964 | 7/28       | 14               | Wheel                    | 56                | Protest discipline for leaving job   | Agreement reached  |
| 1964 | 5/13-5/18  | 3600             | Entire Plant             | 72822.5           | Sanctioned mid-contract strike   | After strike vote, union notifies company of intent to strike; steward reinstated as part of strike settlement, 5/18 |
| 1964 | 4/6        | 2553             | Maintenance & Production | 26254.4           | Discharge of skilled steward for countermanning supervisory order  | Employees return after warning; no negotiation until workers are back on the job                                     |
| 1964 | 3/17-3/18  | 1145             | Foundry                  | 5935              | Steward suspended for countermanning supervisor; 2 workers for refusing job  | Employees return to job with no change in company policy   |
| 1964 | 3/13       | 260              | Maintenance              | 1584              | Workers demand overtime instead of contracting out on straight time  | Suspension of 330 foundry employees for about 2 days.  |
| 1964 | 2/3        | 1200             | Foundry                  | 22494             | Suspension for refusal of work assignment after manning reduced from 3 to 2  | Temporary measures taken to improve heating; employees informed of their involvement in a contract violation         |
| 1964 | 1/25       | 39               | Foundry                  | 39                | Employees claimed insufficient heat  | Return to work; system running 2 weeks later   |
| 1964 | 1/8        | 15               | Grinding Room            | 114               | Dust collector installed too slowly  |  |
| 1963 | 10/31-11/1 | 619              | Foundry                  | 5714              | Hoist breakdown, workers refuse order  |  |
| 1963 | 10/28      | 93               | Wheel                    | 340.2             | Firing of steward for leaving job w/o permission & other rule-breaking   | Return to work   |
| 1963 | 10/7       | 170              | Wheel                    | 998.1             | Steward suspended 2-days for refusing job, reading paper, leaving job  | Discipline remained; grievance procedure followed  |
| 1963 | 9/24       | 163              | Foundry                  | 550               | Dispute over job standard in foundry & suspension of employees for refusing to follow orders & use grievance proc. | 4 suspensions reduced to disciplinary layoffs; standard increase goes through is a grievance over this is filed      |
| 1963 | 6/18       | 90               | Wheel                    | 180               | Union refusal to approve 10-hour shift; workers work 8 hours   | After a brief delay, union approves increase to 10 hours; no discipline  |
| 1963 | 6/8&17     | 75               | Maintenance              | 90                | Outside contracting  | 6 indef. suspensions reduced to 4 of 3-days and 2 of 2-weeks   |
| 1963 | 3/25       | 30               | Wheel                    | 250               | Cut in line staffing from 11 to 9  | Staffing raised back to 11; union admits co. was within rights   |

TABLE A.1 (continued): WORK STOPPAGES AT BUDD-DETROIT

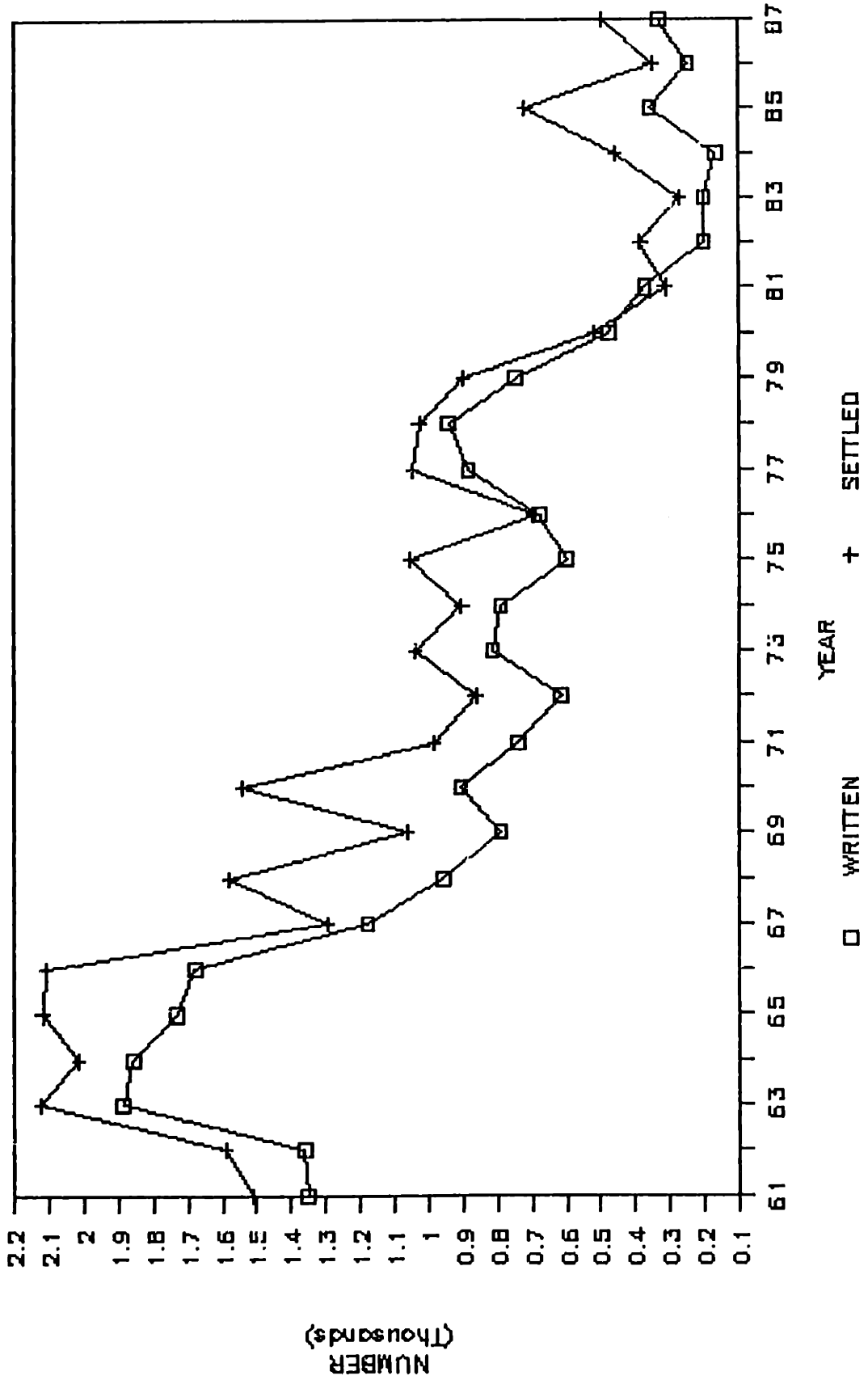
| YEAR | DATE      | NUMBER OF PEOPLE | DEPARTMENT   | TIME LOST (Hours) | REASON  | TERMS OF SETTLEMENT  |
|------|-----------|------------------|--------------|-------------------|---|--|
| 1962 | 2/5&2/6   |                  |              | 9504              | Accumulated grievances; new foundry "cupola" staffing; foremen without authority to bargain                     | No negotiations until workers lack on the job  |
| 1961 | 4/5&8     | 2499             | Entire Plant | 110596            | Seniority grievances related to maintenance work in foundry   | Co. sues union & union takes strike vote before talks reduce disc. layoff of 1 steward and obtain back pay for 8 workers |
|      | 4/6       | 550              |              | 3944.3            |   |  |
| 1961 | 3/27-3/28 | 908              | Foundry      | 5009.1            | Foreman walking due to earlier dispute  | Mainly workers retained to prepare foundry for next day  |
| 1961 | 3/24-3/27 | 1837             | Foundry      | 9799.6            | 1-day shift transfer based on ability to do job not seniority   | Employees return to work   |
| 1959 | 10/9      | 52               | 264          |                   | Set-up man refuses new job; dispute is whether assignment is to line or dept.                                   |  |
| 1959 | 9/8       |                  | Foundry      |                   | Brief heat stoppage becomes pay dispute   |  |
| 1958 | 10/1      |                  | Foundry      |                   | Discipline for refusal to perform work  | Company refuses to discuss until workers back on job   |
| 1957 | 9/13      |                  | Foundry      |                   | Protest short work (8pay) days due to running out of iron; union wants "more cooperative and efficient" foremen | Sent back to department for negotiation  |
| 1957 | 8/12      | 200              | Tool-and-die |                   | Walking during new job set-up; 30 fired   | Firings reduced to 6 then 3 and perhaps lower  |
| 1954 | 11/24     | 60               |              |                   | Stoppage after lunch to demand Saturday work; two workers, one steward fired                                    | Discharges to be reviewed at International step  |

## NOTES:

1. Source: company records.
2. Before 1961, company records are less complete, reflecting the less formal character of Budd's labor policies.
3. Time Lost is explicitly reported in the company records on most stoppages. When it was not reported—primarily heat strikes and two plant-wide walkouts in 1969—it was estimated by the author.

FIG. A.1: TOTAL GRIEVANCES AT DETROIT

1961-1987



**TABLE A.2**  
**PRODUCTION AND MAINTENANCE GRIEVANCES AT BUDD-DETROIT OVER TIME**

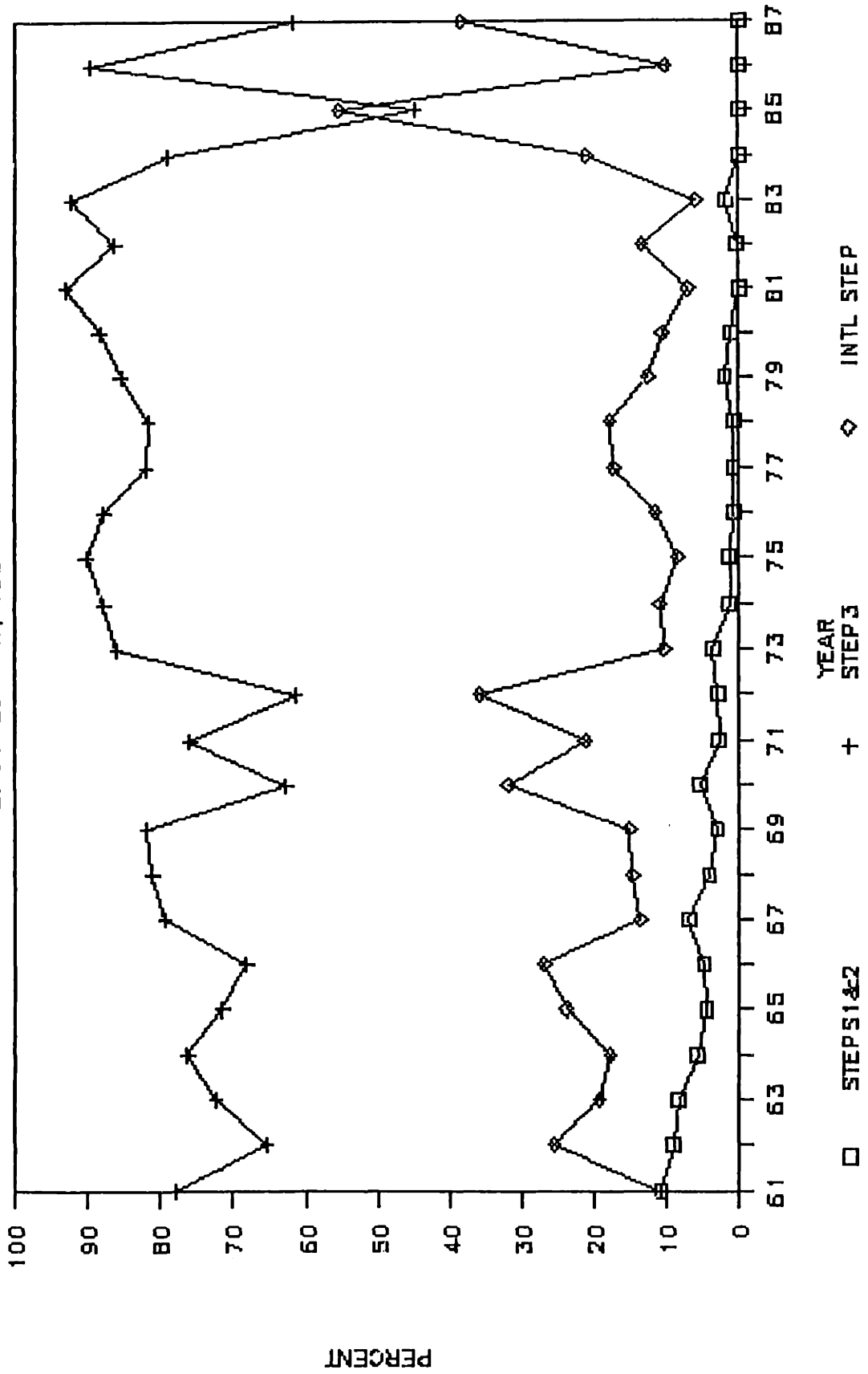
| Year | # of Grievances:<br>Written<br>(incl. pckgs) | Settle-<br>ment<br>cost<br>(incl. pckgs) | Number<br>Settled<br>in Pack-<br>ages | Cost of<br>Package<br>Settle-<br>ments | Sum of #<br>Settled<br>at Each<br>Step | Total Cost,<br>Grievances<br>Settled<br>at Steps | STEP I  |      | STEP II |      | STEP III |       | INTERNATIONAL STEP |          |       |
|------|--|--|---------------------------------------|--|--|--|---------|------|---------|------|----------|-------|--------------------|----------|-------|
|      |  |  |                                       |  |  |  | Settled | Cost | Settled | Cost | Settle   | Cost  | Upheld             | Reversed | Cost  |
| 1961 | 1352   | 1509                                     | 9611                                  | 0                                      | 1509                                   | 9611   | 87      | 140  | 75      | 930  | 1178     | 7296  | 111                | 58       | 1245  |
| 1962 | 1361   | 1589                                     | 9375                                  | 0                                      | 1589                                   | 9375   | 66      | 467  | 79      | 702  | 1039     | 5276  | 286                | 119      | 2930  |
| 1963 | 1886   | 2122                                     | 12807                                 | 725                                    | 1986                                   | 12082  | 59      | 757  | 106     | 2239 | 1438     | 7123  | 23                 | 100      | 1963  |
| 1964 | 1858   | 2016                                     | 14604                                 | 3822                                   | 2016                                   | 10782  | 35      | 553  | 82      | 1599 | 1539     | 6031  | 772                | 88       | 2599  |
| 1965 | 1732   | 2119                                     | 8305                                  | 0                                      | 2119                                   | 8307   | 46      | 816  | 51      | 1137 | 1516     | 5259  | 443                | 63       | 1095  |
| 1966 | 1680   | 2108                                     | 27263                                 | 0                                      | 2108                                   | 9281   | 69      | 1553 | 35      | 556  | 1438     | 5309  | 493                | 73       | 1863  |
| 1967 | 1177   | 1296                                     | 6637                                  | 101                                    | 1296                                   | 6536   | 34      | 462  | 56      | 911  | 1029     | 3679  | 133                | 44       | 1484  |
| 1968 | 960  | 1578                                     | 10017                                 | 656                                    | 10017                                  | 3419   | 17      | 216  | 21      | 291  | 748      | 2579  | 120                | 16       | 333   |
| 1969 | 791  | 1061                                     | 3631                                  | 0                                      | 1061                                   | 3632   | 12      | 115  | 20      | 264  | 869      | 2915  | 142                | 18       | 338   |
| 1970 | 907  | 1541                                     | 11501                                 | 0                                      | 1541                                   | 11501  | 59      | 606  | 25      | 1061 | 965      | 4584  | 365                | 127      | 5250  |
| 1971 | 743  | 984                                      | 8639                                  | 5                                      | 979                                    | 6797   | 11      | 138  | 17      | 374  | 743      | 4141  | 135                | 73       | 2144  |
| 1972 | 615  | 864                                      | 13936                                 | 0                                      | 864                                    | 9917   | 3       | 3    | 22      | 558  | 530      | 3649  | 217                | 92       | 5707  |
| 1973 | 815  | 1038                                     | 10061                                 | 181                                    | 857                                    | 5678   | 15      | 775  | 17      | 357  | 737      | 2935  | 54                 | 34       | 1611  |
| 1974 | 790  | 905                                      | 8467                                  | 0                                      | 905                                    | 8468   | 0       | 0    | 12      | 317  | 794      | 7040  | 60                 | 39       | 1111  |
| 1975 | 600  | 1052                                     | 13476                                 | 299                                    | 753                                    | 6488   | 1       | 172  | 9       | 224  | 679      | 5663  | 37                 | 27       | 429   |
| 1976 | 680  | 693                                      | 4170                                  | 0                                      | 693                                    | 4169   | 1       | 8    | 4       | 310  | 608      | 3750  | 45                 | 35       | 101   |
| 1977 | 884  | 1046                                     | 10748                                 | 0                                      | 1046                                   | 10748  | 0       | 0    | 8       | 460  | 857      | 5865  | 116                | 65       | 4823  |
| 1978 | 942  | 1026                                     | 9640                                  | 0                                      | 1026                                   | 9640   | 0       | 0    | 7       | 1115 | 837      | 4738  | 104                | 78       | 3787  |
| 1979 | 748  | 901                                      | 16845                                 | 167                                    | 734                                    | 7105   | 0       | 0    | 15      | 294  | 627      | 4114  | 60                 | 32       | 2682  |
| 1980 | 480  | 518                                      | 9060                                  | 45                                     | 473                                    | 4656   | 0       | 0    | 5       | 62   | 418      | 4372  | 30                 | 20       | 217   |
| 1981 | 375  | 314                                      | 3521                                  | 0                                      | 314                                    | 3521   | 0       | 0    | 0       | 0    | 292      | 3369  | 10                 | 12       | 152   |
| 1982 | 204  | 387                                      | 3155                                  | 0                                      | 387                                    | 3157   | 0       | 0    | 1       | 188  | 334      | 1963  | 44                 | 7        | 1005  |
| 1983 | 202  | 272                                      | 4818                                  | 0                                      | 272                                    | 4823   | 0       | 0    | 5       | 236  | 251      | 4084  | 7                  | 9        | 498   |
| 1984 | 168  | 457                                      | 17119                                 | 0                                      | 457                                    | 17119  | 0       | 0    | 0       | 0    | 361      | 7909  | 10                 | 86       | 9210  |
| 1985 | 357  | 718                                      | 18414                                 | 0                                      | 718                                    | 18413  | 0       | 0    | 0       | 0    | 321      | 14    | 19                 | 378      | 18399 |
| 1986 | 249  | 352                                      | 8718                                  | 0                                      | 352                                    | 8718   | 0       | 0    | 0       | 0    | 316      | 7717  | 24                 | 12       | 1001  |
| 1987 | 331  | 498                                      | 25539                                 | 0                                      | 498                                    | 25538  | 0       | 0    | 0       | 0    | 307      | 16663 | 57                 | 134      | 8875  |

**NOTES:**

- The 1978 Detroit plant Yearly Statistical Report introduces a "Step IV" but in repeating the figures for 1977 simply moves what had been step 2 and step 3 numbers into step 3 and step 4. To create a consistent series, the table moves step 3 and step 4 number and cost data for 1978 forward into the columns for step 2 and step 3, respectively.
- In 1963, 136 grievances were settled as part of a strike issue at a cost of \$725,37. Total figures include this package deal. Figures by step do not.
- In 1975, in two package deals, 1052 grievances were settled at a cost of \$13476. Total figures include this package deal. Figures by step do not.
- In 1977, in two package deals, 1293 grievances were settled at a cost of \$23178. Total figures include this package deal. Figures by step do not.
- It is not clear from company records whether the totals for 1961-1964 are for production and maintenance workers only or all unionized employees.
- In 1964, total figures include 6 grievances settled as part of a February lunch time dispute; 56 P&M grievances settled in the May strike; 10 clerical grievances settled in May and 31 technical grievances settled in May.
- In 1986, the Detroit YSR includes 6 grievances settled for \$3.06 at the "Plant Manager's Step." These have been added to the step III grievances in the table.
- It is not clear from the author how there could be more grievances settled than written every year.
- From 1945 on and in 1973, step V incorporates package settlements.
- In 1985, there were also 37 grievances settled in arbitration for \$77,128.35. These are not included in the table.

FIG. A.2: GRIEVANCES SETTLED BY STEP

BUDD-DETROIT, 1961-87



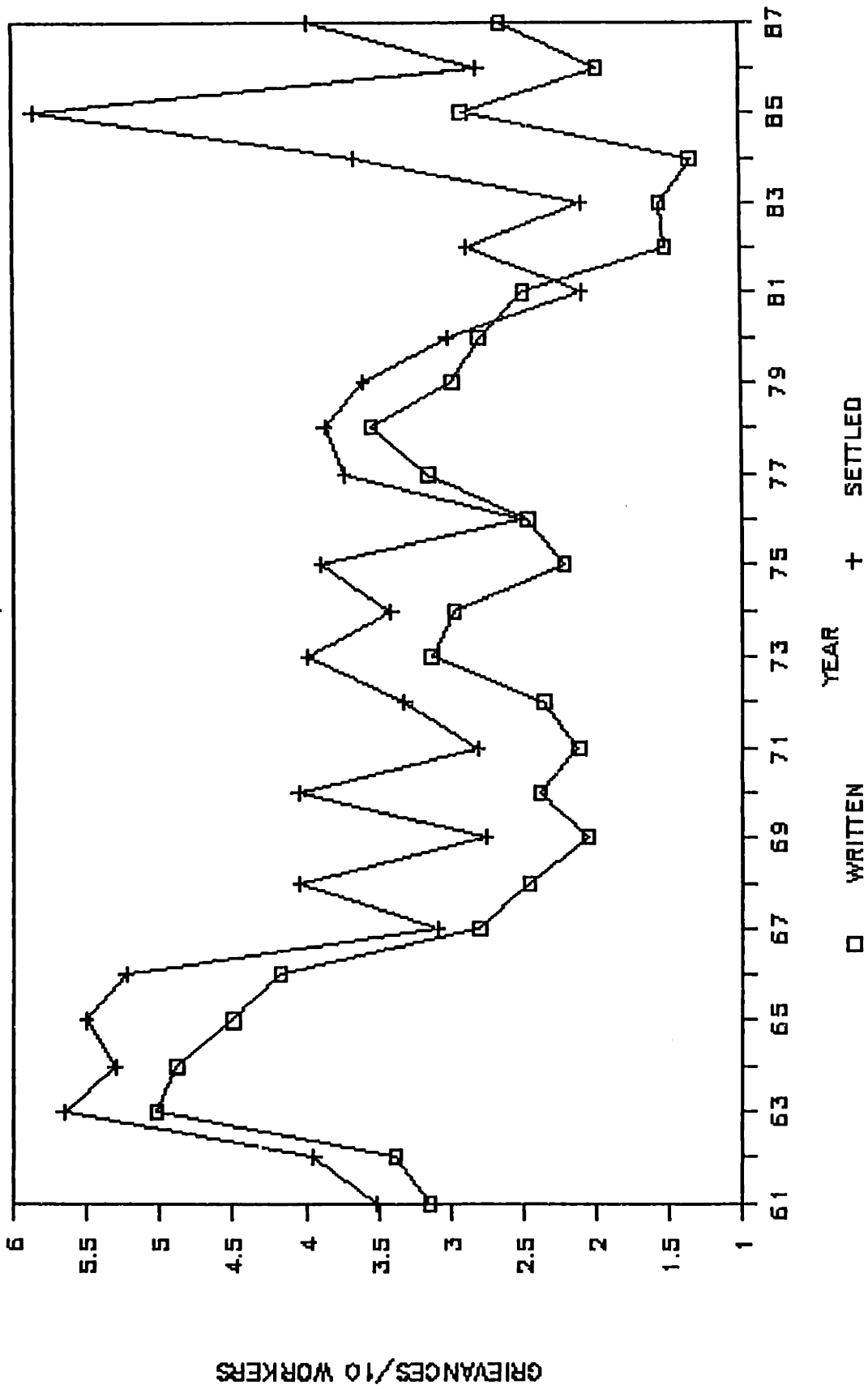
**TABLE A.3**  
**PRODUCTION AND MAINTENANCE GRIEVANCE RATES AT BUDD-DETROIT OVER TIME**

| Year | # of Grievances:<br>Written<br>Per 10<br>Workers | Settled<br>(includ.<br>pkages) | Settle-<br>ment Cost<br>/Mkr<br>(includ.<br>pkages) | Sum of #<br>Settled<br>at Each<br>Step Per<br>10 Mkr | # Cst of #<br>Settled<br>Step Per<br>10 Mkr | STEP I                       |                           | STEP II                      |                           | STEP III                     |                           | INTERNATIONAL STEP          |                               |                       |
|------|--|--------------------------------|---|--|---|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|
|      |  |                                |   |  |   | Settled<br>Per 10<br>Workers | Cost<br>Per 10<br>Workers | Settled<br>Per 10<br>Workers | Cost<br>Per 10<br>Workers | Settled<br>Per 10<br>Workers | Cost<br>Per 10<br>Workers | Upheld<br>Per 10<br>Workers | Reversed<br>Per 10<br>Workers | Cost<br>Per<br>Worker |
| 1961 | 3.14   | 3.51                           | 2.24  | 3.51   | 2.24  | 0.20                         | 0.03                      | 0.17                         | 0.22                      | 2.74                         | 1.70                      | 0.26                        | 0.13                          | 0.29                  |
| 1962 | 3.38   | 3.95                           | 2.33  | 3.95   | 2.33  | 0.16                         | 0.12                      | 0.20                         | 0.17                      | 2.58                         | 1.31                      | 0.71                        | 0.30                          | 0.73                  |
| 1963 | 5.03   | 5.66                           | 3.42  | 5.30   | 3.22  | 0.16                         | 0.20                      | 0.28                         | 0.60                      | 3.83                         | 1.90                      | 0.75                        | 0.27                          | 0.52                  |
| 1964 | 4.89   | 5.31                           | 3.84  | 5.31   | 2.84  | 0.09                         | 0.15                      | 0.22                         | 0.42                      | 4.05                         | 1.59                      | 0.72                        | 0.23                          | 0.68                  |
| 1965 | 4.50   | 5.50                           | 2.16  | 5.50   | 2.16  | 0.12                         | 0.21                      | 0.13                         | 0.30                      | 3.94                         | 1.37                      | 1.15                        | 0.16                          | 0.28                  |
| 1966 | 4.17   | 5.24                           | 6.77  | 5.24   | 2.31  | 0.17                         | 0.39                      | 0.09                         | 0.14                      | 3.57                         | 1.32                      | 1.22                        | 0.18                          | 0.46                  |
| 1967 | 2.80   | 3.09                           | 1.58  | 3.09   | 1.56  | 0.08                         | 0.11                      | 0.13                         | 0.22                      | 2.45                         | 0.88                      | 0.32                        | 0.10                          | 0.35                  |
| 1968 | 2.46   | 4.05                           | 2.57  | 2.36   | 0.88  | 0.04                         | 0.06                      | 0.05                         | 0.07                      | 1.92                         | 0.66                      | 0.31                        | 0.04                          | 0.09                  |
| 1969 | 2.05   | 2.76                           | 0.94  | 2.76   | 0.94  | 0.03                         | 0.03                      | 0.05                         | 0.07                      | 2.26                         | 0.76                      | 0.37                        | 0.05                          | 0.09                  |
| 1970 | 2.39   | 4.06                           | 3.03  | 4.06   | 3.03  | 0.16                         | 0.16                      | 0.07                         | 0.28                      | 2.54                         | 1.21                      | 0.96                        | 0.33                          | 1.38                  |
| 1971 | 2.12   | 2.81                           | 2.47  | 2.80   | 1.94  | 0.03                         | 0.04                      | 0.05                         | 0.11                      | 2.12                         | 1.18                      | 0.39                        | 0.21                          | 0.61                  |
| 1972 | 2.37   | 3.32                           | 5.36  | 3.32   | 3.81  | 0.01                         | 0.00                      | 0.08                         | 0.21                      | 2.04                         | 1.40                      | 0.83                        | 0.35                          | 2.20                  |
| 1973 | 3.13   | 3.99                           | 3.87  | 3.30   | 2.18  | 0.06                         | 0.30                      | 0.07                         | 0.14                      | 2.83                         | 1.13                      | 0.21                        | 0.13                          | 0.62                  |
| 1974 | 2.98   | 3.42                           | 3.20  | 3.42   | 3.20  | 0.00                         | 0.00                      | 0.05                         | 0.12                      | 3.00                         | 2.66                      | 0.23                        | 0.15                          | 0.42                  |
| 1975 | 2.22   | 3.90                           | 4.99  | 2.79   | 2.40  | 0.00                         | 0.06                      | 0.03                         | 0.08                      | 2.51                         | 2.10                      | 0.14                        | 0.10                          | 0.16                  |
| 1976 | 2.47   | 2.52                           | 1.52  | 2.52   | 1.52  | 0.00                         | 0.00                      | 0.01                         | 0.11                      | 2.21                         | 1.36                      | 0.16                        | 0.13                          | 0.04                  |
| 1977 | 3.16   | 3.74                           | 3.84  | 3.74   | 3.84  | 0.00                         | 0.00                      | 0.03                         | 0.16                      | 3.06                         | 2.09                      | 0.41                        | 0.23                          | 1.58                  |
| 1978 | 3.55   | 3.87                           | 3.64  | 3.87   | 3.64  | 0.00                         | 0.00                      | 0.03                         | 0.42                      | 3.16                         | 1.79                      | 0.39                        | 0.29                          | 1.43                  |
| 1979 | 2.99   | 3.60                           | 6.74  | 2.94   | 2.84  | 0.00                         | 0.00                      | 0.06                         | 0.12                      | 2.51                         | 1.65                      | 0.24                        | 0.13                          | 1.07                  |
| 1980 | 2.80   | 3.02                           | 5.25  | 2.76   | 2.72  | 0.00                         | 0.00                      | 0.03                         | 0.04                      | 2.44                         | 2.55                      | 0.18                        | 0.12                          | 0.13                  |
| 1981 | 2.50   | 2.09                           | 2.35  | 2.09   | 2.35  | 0.00                         | 0.00                      | 0.00                         | 0.00                      | 1.95                         | 2.25                      | 0.07                        | 0.08                          | 0.10                  |
| 1982 | 1.52   | 2.88                           | 2.35  | 2.88   | 2.35  | 0.00                         | 0.00                      | 0.01                         | 0.14                      | 2.49                         | 1.46                      | 0.34                        | 0.05                          | 0.75                  |
| 1983 | 1.56   | 2.10                           | 3.72  | 2.10   | 3.72  | 0.00                         | 0.00                      | 0.04                         | 0.18                      | 1.94                         | 3.15                      | 0.05                        | 0.07                          | 0.38                  |
| 1984 | 1.35   | 3.66                           | 13.72   | 3.66   | 13.72                                       | 0.00                         | 0.00                      | 0.00                         | 0.00                      | 2.89                         | 6.34                      | 0.08                        | 0.69                          | 7.38                  |
| 1985 | 2.91   | 5.86                           | 15.03   | 5.86   | 15.03                                       | 0.00                         | 0.00                      | 0.00                         | 0.00                      | 2.62                         | 0.01                      | 0.16                        | 3.09                          | 15.02                 |
| 1986 | 1.99   | 2.81                           | 6.95  | 2.81   | 6.95  | 0.00                         | 0.00                      | 0.00                         | 0.00                      | 2.52                         | 6.15                      | 0.19                        | 0.10                          | 0.80                  |
| 1987 | 2.65   | 3.98                           | 20.43   | 3.98   | 20.43                                       | 0.00                         | 0.00                      | 0.00                         | 0.00                      | 2.46                         | 13.33                     | 0.46                        | 1.07                          | 7.10                  |

**SOURCES:** Absolute numbers of grievances taken from table A.2. Employment figures used to calculate grievance rates taken from sources listed in table 8.1, note 1.

FIG. A.3: GRIEVANCE RATES AT DETROIT

PER 10 WORKERS, 1961-87







**TABLE A.5**  
**MAJOR GRIEVANCE GROUPINGS AT BUDD-DETROIT**

| Year | Dis-<br>charges | Dis-<br>cipline | Health<br>and<br>Safety | Super-<br>visor<br>Working | Improper<br>Work<br>Assign-<br>ment | Juris-<br>diction:<br>Prod'n<br>& NP | Juris-<br>diction:<br>Skilled | Outside<br>Contracting<br>& Maint. | Sen-<br>iority | Job<br>Rights | Wage/Pay<br>Related | Over-<br>time | Misc. | TOTAL |
|------|-----------------|-----------------|-------------------------|----------------------------|-------------------------------------|--------------------------------------|-------------------------------|------------------------------------|----------------|---------------|---------------------|---------------|-------|-------|
| 1962 | 236             | 36              | 194                     | 127                        | 354                                 |                                      |                               | 86                                 | 186            | 3             | 181                 | 100           | 86    | 1589  |
| 1963 | 150             | 108             | 159                     | 127                        | 526                                 |                                      |                               | 119                                | 177            | 44            | 191                 | 308           | 198   | 2107  |
| 1964 | 242             | 65              | 221                     | 103                        | 460                                 |                                      |                               | 123                                | 96             | 64            | 132                 | 395           | 115   | 2016  |
| 1965 | 456             | 89              | 150                     | 168                        | 342                                 |                                      |                               | 87                                 | 59             | 77            | 134                 | 468           | 89    | 2119  |
| 1966 | 372             | 56              | 115                     | 220                        |                                     | 7                                    | 429                           | 100                                | 157            | 21            | 90                  | 451           | 84    | 2102  |
| 1967 | 237             | 38              | 77                      | 117                        |                                     | 59                                   | 170                           | 115                                | 17             | 56            | 175                 | 77            | 158   | 1296  |
| 1968 | 420             | 14              | 26                      | 58                         |                                     | 29                                   | 90                            | 23                                 | 0              | 21            | 77                  | 93            | 71    | 922   |
| 1969 | 371             | 23              | 50                      | 85                         |                                     | 82                                   | 141                           | 38                                 | 9              | 75            | 62                  | 78            | 67    | 1061  |
| 1970 | 397             | 60              | 54                      | 100                        |                                     | 107                                  | 271                           | 47                                 | 15             | 138           | 126                 | 122           | 104   | 1541  |
| 1971 | 234             | 55              | 33                      | 65                         |                                     | 76                                   | 156                           | 77                                 | 8              | 45            | 72                  | 87            | 66    | 984   |
| 1972 | 233             | 28              | 33                      | 64                         |                                     | 48                                   | 144                           | 83                                 | 8              | 40            | 67                  | 70            | 46    | 864   |
| 1973 | 445             | 20              | 21                      | 30                         |                                     | 20                                   | 116                           | 58                                 | 7              | 21            | 26                  | 76            | 17    | 857   |
| 1974 | 402             | 31              | 30                      | 39                         |                                     | 34                                   | 119                           | 37                                 | 4              | 19            | 23                  | 72            | 95    | 905   |
| 1975 | 339             | 44              | 30                      | 69                         |                                     | 47                                   | 246                           | 71                                 | 14             | 42            | 28                  | 69            | 53    | 1052  |
| 1976 | 445             | 10              | 12                      | 11                         |                                     | 14                                   | 79                            | 28                                 | 1              | 5             | 20                  | 42            | 26    | 693   |
| 1977 | 736             | 15              | 24                      | 24                         |                                     | 10                                   | 58                            | 65                                 | 3              | 16            | 32                  | 50            | 13    | 1046  |
| 1978 | 745             | 28              | 16                      | 21                         |                                     | 11                                   | 37                            | 53                                 | 2              | 14            | 35                  | 53            | 11    | 1026  |
| 1979 | 450             | 31              | 31                      | 26                         |                                     | 21                                   | 56                            | 21                                 | 1              | 13            | 18                  | 42            | 22    | 734   |
| 1980 | 129             | 27              | 13                      | 21                         |                                     | 32                                   | 37                            | 119                                | 2              | 13            | 23                  | 38            | 19    | 473   |
| 1981 | 90              | 17              | 5                       | 19                         |                                     | 17                                   | 39                            | 50                                 | 19             | 14            | 13                  | 11            | 20    | 314   |
| 1982 | 109             | 19              | 6                       | 16                         |                                     | 10                                   | 28                            | 24                                 | 67             | 7             | 15                  | 59            | 31    | 391   |
| 1983 | 100             | 9               | 7                       | 8                          |                                     | 10                                   | 47                            | 37                                 | 7              | 3             | 11                  | 17            | 16    | 272   |
| 1984 | 75              | 9               | 7                       | 22                         |                                     | 60                                   | 55                            | 34                                 | 8              | 6             | 9                   | 122           | 50    | 457   |
| 1985 | 140             | 34              | 75                      | 12                         |                                     | 23                                   | 182                           | 87                                 | 74             | 14            | 41                  | 10            | 26    | 718   |
| 1986 | 158             | 3               | 16                      | 12                         |                                     | 11                                   | 46                            | 49                                 | 12             | 2             | 13                  | 17            | 13    | 352   |
| 1987 | 124             | 14              | 45                      | 19                         |                                     | 27                                   | 60                            | 113                                | 13             | 13            | 20                  | 25            | 26    | 499   |

Source:  
Company records

**TABLE A.6**  
**MAJOR GRIEVANCE GROUPINGS AS A PERCENT OF TOTAL AT BUDD-DETROIT**

| Year | Discharges | Discipline | Health and Safety | Supervising Working | Improper Work Assignment | Juris-diction Production & Non-Prod'n | Juris-diction Skilled | Outside Contracting Maint. Agreement | Sen-iority | Job Rights Related | Wage/Pay Related | Over-time | Misc. |
|------|------------|------------|-------------------|---------------------|--------------------------|---------------------------------------|-----------------------|--------------------------------------|------------|--------------------|------------------|-----------|-------|
| 1962 | 15         | 2          | 12                | 8                   | 22                       |                                       |                       | 5                                    | 12         | 0                  | 11               | 6         | 5     |
| 1963 | 7          | 5          | 8                 | 6                   | 25                       |                                       |                       | 6                                    | 8          | 2                  | 9                | 15        | 9     |
| 1964 | 12         | 3          | 11                | 5                   | 23                       |                                       |                       | 6                                    | 5          | 3                  | 7                | 20        | 6     |
| 1965 | 22         | 4          | 7                 | 8                   | 16                       |                                       |                       | 4                                    | 3          | 4                  | 6                | 22        | 4     |
| 1966 | 18         | 3          | 5                 | 10                  |                          | 0                                     | 20                    | 5                                    | 7          | 1                  | 4                | 21        | 4     |
| 1967 | 18         | 3          | 6                 | 9                   |                          | 5                                     | 13                    | 9                                    | 1          | 4                  | 14               | 6         | 12    |
| 1968 | 46         | 2          | 3                 | 6                   |                          | 3                                     | 10                    | 2                                    | 0          | 2                  | 8                | 10        | 8     |
| 1969 | 35         | 2          | 5                 | 8                   |                          | 6                                     | 13                    | 4                                    | 1          | 7                  | 6                | 7         | 6     |
| 1970 | 26         | 4          | 4                 | 6                   |                          | 7                                     | 18                    | 3                                    | 1          | 9                  | 8                | 8         | 7     |
| 1971 | 24         | 7          | 3                 | 7                   |                          | 8                                     | 16                    | 8                                    | 1          | 5                  | 7                | 9         | 7     |
| 1972 | 27         | 3          | 4                 | 7                   |                          | 6                                     | 17                    | 10                                   | 1          | 5                  | 8                | 9         | 7     |
| 1973 | 52         | 2          | 2                 | 4                   |                          | 2                                     | 14                    | 7                                    | 1          | 5                  | 8                | 8         | 5     |
| 1974 | 44         | 3          | 3                 | 4                   |                          | 4                                     | 13                    | 4                                    | 1          | 2                  | 3                | 9         | 2     |
| 1975 | 32         | 4          | 3                 | 7                   |                          | 4                                     | 23                    | 7                                    | 0          | 2                  | 3                | 8         | 10    |
| 1976 | 64         | 1          | 2                 | 2                   |                          | 2                                     | 11                    | 4                                    | 1          | 4                  | 3                | 7         | 5     |
| 1977 | 70         | 1          | 2                 | 2                   |                          | 1                                     | 6                     | 6                                    | 0          | 1                  | 3                | 6         | 4     |
| 1978 | 73         | 3          | 2                 | 2                   |                          | 1                                     | 4                     | 5                                    | 0          | 1                  | 3                | 5         | 1     |
| 1979 | 61         | 4          | 4                 | 4                   |                          | 3                                     | 8                     | 3                                    | 0          | 2                  | 3                | 5         | 1     |
| 1980 | 27         | 6          | 3                 | 4                   |                          | 7                                     | 8                     | 25                                   | 0          | 2                  | 5                | 6         | 3     |
| 1981 | 29         | 5          | 2                 | 6                   |                          | 5                                     | 12                    | 16                                   | 6          | 3                  | 4                | 8         | 4     |
| 1982 | 28         | 5          | 2                 | 4                   |                          | 3                                     | 7                     | 6                                    | 6          | 4                  | 4                | 15        | 6     |
| 1983 | 37         | 3          | 3                 | 3                   |                          | 4                                     | 17                    | 14                                   | 3          | 1                  | 4                | 6         | 8     |
| 1984 | 16         | 2          | 2                 | 5                   |                          | 13                                    | 12                    | 7                                    | 2          | 1                  | 2                | 27        | 11    |
| 1985 | 19         | 5          | 10                | 2                   |                          | 3                                     | 25                    | 12                                   | 10         | 2                  | 6                | 1         | 4     |
| 1986 | 45         | 1          | 5                 | 3                   |                          | 3                                     | 13                    | 14                                   | 3          | 1                  | 4                | 4         | 4     |
| 1987 | 25         | 3          | 9                 | 4                   |                          | 5                                     | 12                    | 23                                   | 3          | 3                  | 4                | 5         | 5     |

Source:  
Company records

**TABLE A.7**  
**GRIEVANCES/1000 WORKERS FOR MAJOR GRIEVANCE GROUPINGS AT BUDD-DETROIT**

| Year | Discharge | Discipline (DSCPLIN) | Health and Safety (H&S) | Supervisor Working (SUP WK) | Improper Work Assignment | Jurisdictional Production & Non-Prod'n (JUR P&NP) | Jurisdictional Skilled (JUR SK) | Outside Contracting Maintenance Agreement (OC) | Seniority (SMRITY) | Job Rights (JB RTS) | Wage/Pay Related (PAY) | Over-time (OT) | Misc. | TOTAL |
|------|-----------|----------------------|-------------------------|-----------------------------|--------------------------|---|---------------------------------|--|--------------------|---------------------|------------------------|----------------|-------|-------|
| 1962 | 59        | 9                    | 48                      | 32                          | 88                       |   |                                 | 21   | 46                 | 1                   | 45                     | 25             | 21    | 395   |
| 1963 | 40        | 29                   | 42                      | 34                          | 140                      |   |                                 | 32   | 47                 | 12                  | 51                     | 82             | 53    | 562   |
| 1964 | 64        | 17                   | 58                      | 27                          | 121                      |   |                                 | 32   | 25                 | 17                  | 35                     | 104            | 30    | 531   |
| 1965 | 118       | 23                   | 39                      | 44                          | 89                       |   |                                 | 23   | 15                 | 20                  | 35                     | 122            | 23    | 550   |
| 1966 | 92        | 14                   | 29                      | 55                          |                          | 107   |                                 | 25   | 39                 | 5                   | 22                     | 112            | 21    | 522   |
| 1967 | 56        | 9                    | 18                      | 28                          |                          | 40  |                                 | 27   | 4                  | 13                  | 42                     | 18             | 38    | 309   |
| 1968 | 108       | 4                    | 7                       | 15                          |                          | 23  |                                 | 6  | 0                  | 5                   | 20                     | 24             | 18    | 236   |
| 1969 | 96        | 6                    | 13                      | 22                          |                          | 37  |                                 | 10   | 2                  | 19                  | 16                     | 20             | 17    | 236   |
| 1970 | 104       | 16                   | 14                      | 26                          |                          | 71  |                                 | 12   | 4                  | 36                  | 33                     | 32             | 27    | 406   |
| 1971 | 67        | 19                   | 9                       | 19                          |                          | 45  |                                 | 22   | 2                  | 13                  | 21                     | 25             | 19    | 281   |
| 1972 | 90        | 11                   | 13                      | 25                          |                          | 55  |                                 | 32   | 3                  | 15                  | 26                     | 27             | 18    | 332   |
| 1973 | 171       | 8                    | 8                       | 12                          |                          | 45  |                                 | 22   | 3                  | 8                   | 10                     | 29             | 7     | 330   |
| 1974 | 152       | 12                   | 11                      | 15                          |                          | 45  |                                 | 14   | 2                  | 7                   | 9                      | 27             | 36    | 342   |
| 1975 | 126       | 16                   | 11                      | 26                          |                          | 91  |                                 | 26   | 5                  | 16                  | 10                     | 26             | 20    | 390   |
| 1976 | 162       | 4                    | 4                       | 4                           |                          | 29  |                                 | 10   | 0                  | 2                   | 7                      | 15             | 9     | 252   |
| 1977 | 263       | 5                    | 9                       | 9                           |                          | 4   |                                 | 23   | 1                  | 6                   | 11                     | 18             | 5     | 374   |
| 1978 | 281       | 11                   | 6                       | 8                           |                          | 4   |                                 | 20   | 1                  | 5                   | 13                     | 20             | 4     | 387   |
| 1979 | 180       | 12                   | 12                      | 10                          |                          | 8   |                                 | 8  | 0                  | 5                   | 7                      | 17             | 9     | 294   |
| 1980 | 75        | 16                   | 8                       | 12                          |                          | 19  |                                 | 69   | 1                  | 8                   | 13                     | 22             | 11    | 276   |
| 1981 | 60        | 11                   | 3                       | 13                          |                          | 11  |                                 | 33   | 13                 | 9                   | 9                      | 7              | 13    | 209   |
| 1982 | 81        | 14                   | 4                       | 12                          |                          | 7   |                                 | 18   | 50                 | 5                   | 11                     | 44             | 23    | 291   |
| 1983 | 77        | 7                    | 5                       | 6                           |                          | 8   |                                 | 29   | 5                  | 2                   | 8                      | 13             | 12    | 210   |
| 1984 | 60        | 7                    | 6                       | 18                          |                          | 48  |                                 | 27   | 6                  | 5                   | 7                      | 98             | 40    | 366   |
| 1985 | 114       | 28                   | 61                      | 10                          |                          | 19  |                                 | 71   | 60                 | 11                  | 33                     | 8              | 21    | 586   |
| 1986 | 126       | 2                    | 13                      | 10                          |                          | 9   |                                 | 39   | 10                 | 2                   | 10                     | 14             | 10    | 281   |
| 1987 | 99        | 11                   | 36                      | 15                          |                          | 22  |                                 | 90   | 10                 | 10                  | 16                     | 20             | 21    | 399   |

## NOTES:

1. Sources: Company records and employment figures in sources listed in table 8.1, note 1.
2. The abbreviations in parentheses under column titles are used in figures A.5-A.7.

FIG. A.4: GRIEVANCE RATES BY CATEGORY

BUDD-DETROIT, 1962-87

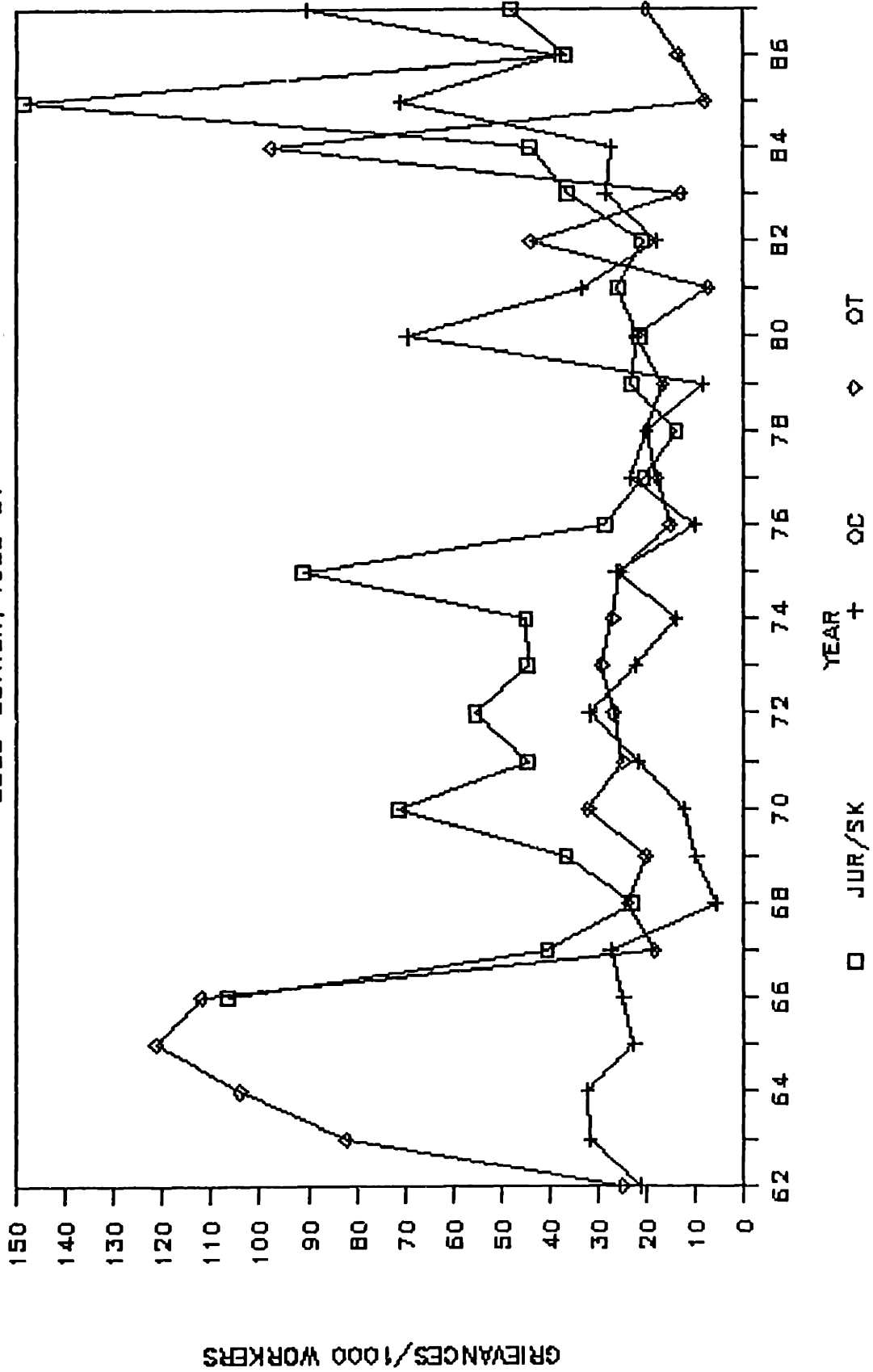


FIG. A.5: GRIEVANCE RATES BY CATEGORY  
BUDD-DETROIT, 1962-67

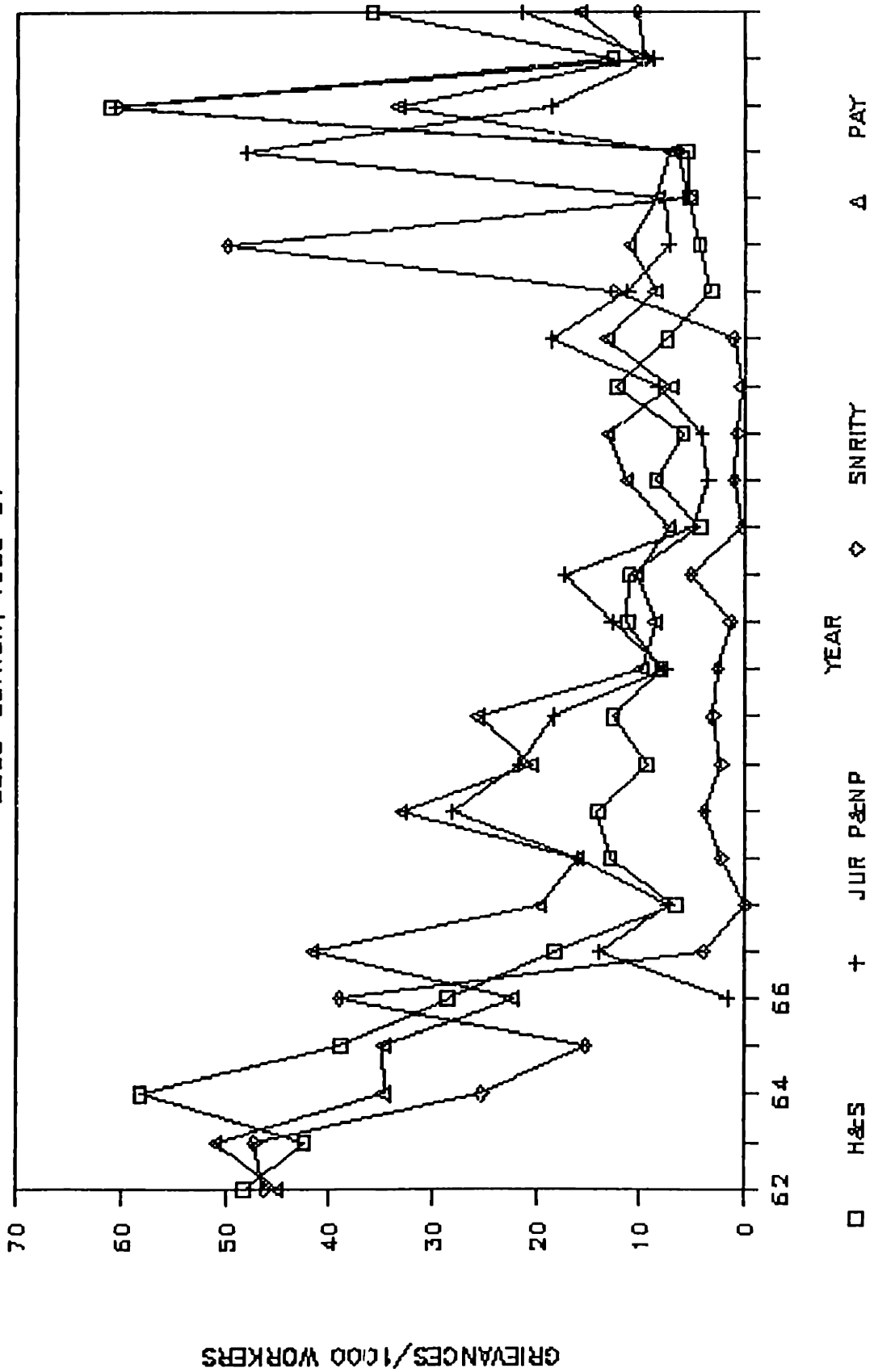


FIG. A.6: GRIEVANCE RATES BY CATEGORY

BUDD-DETROIT, 1962-87

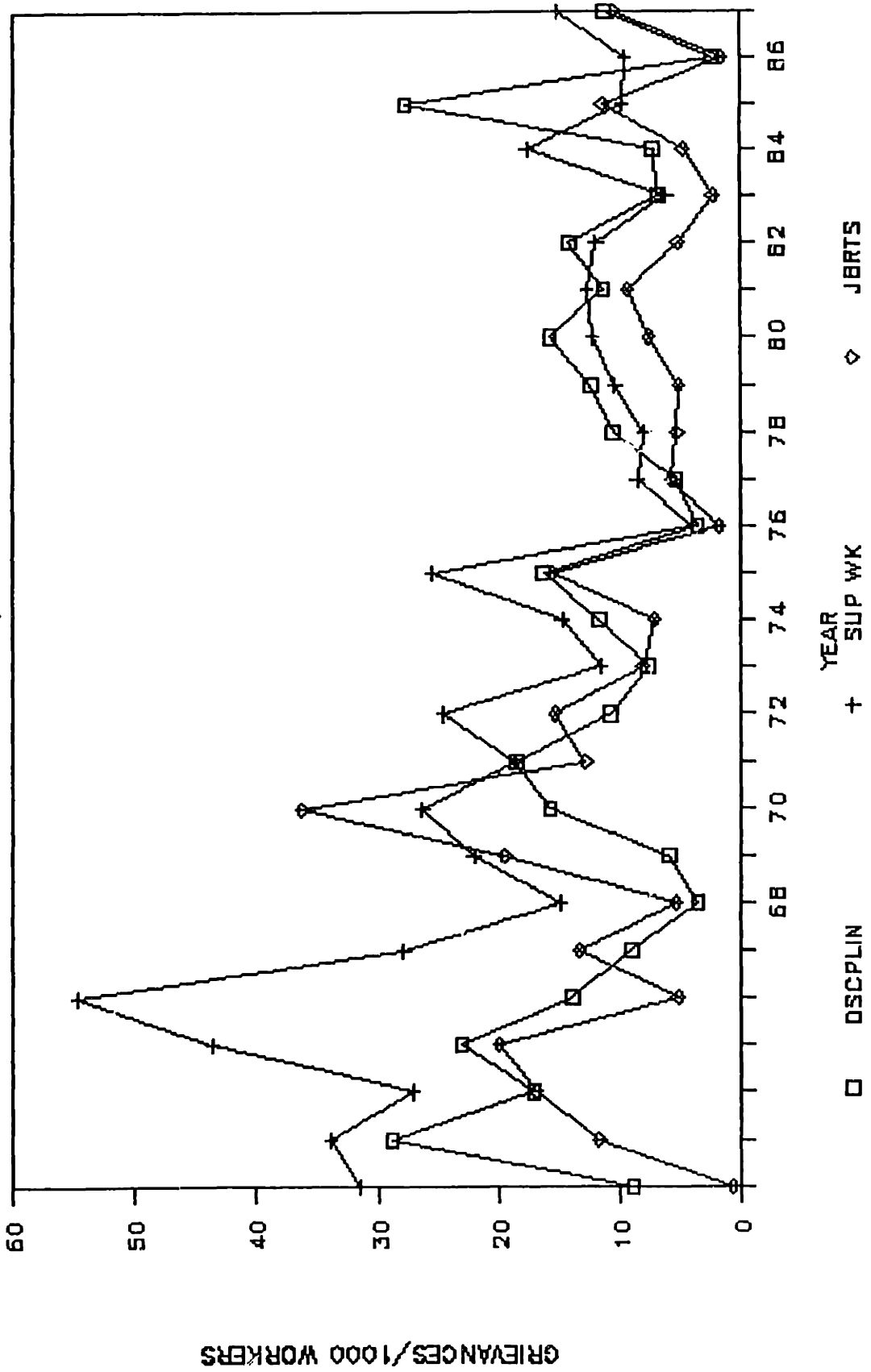


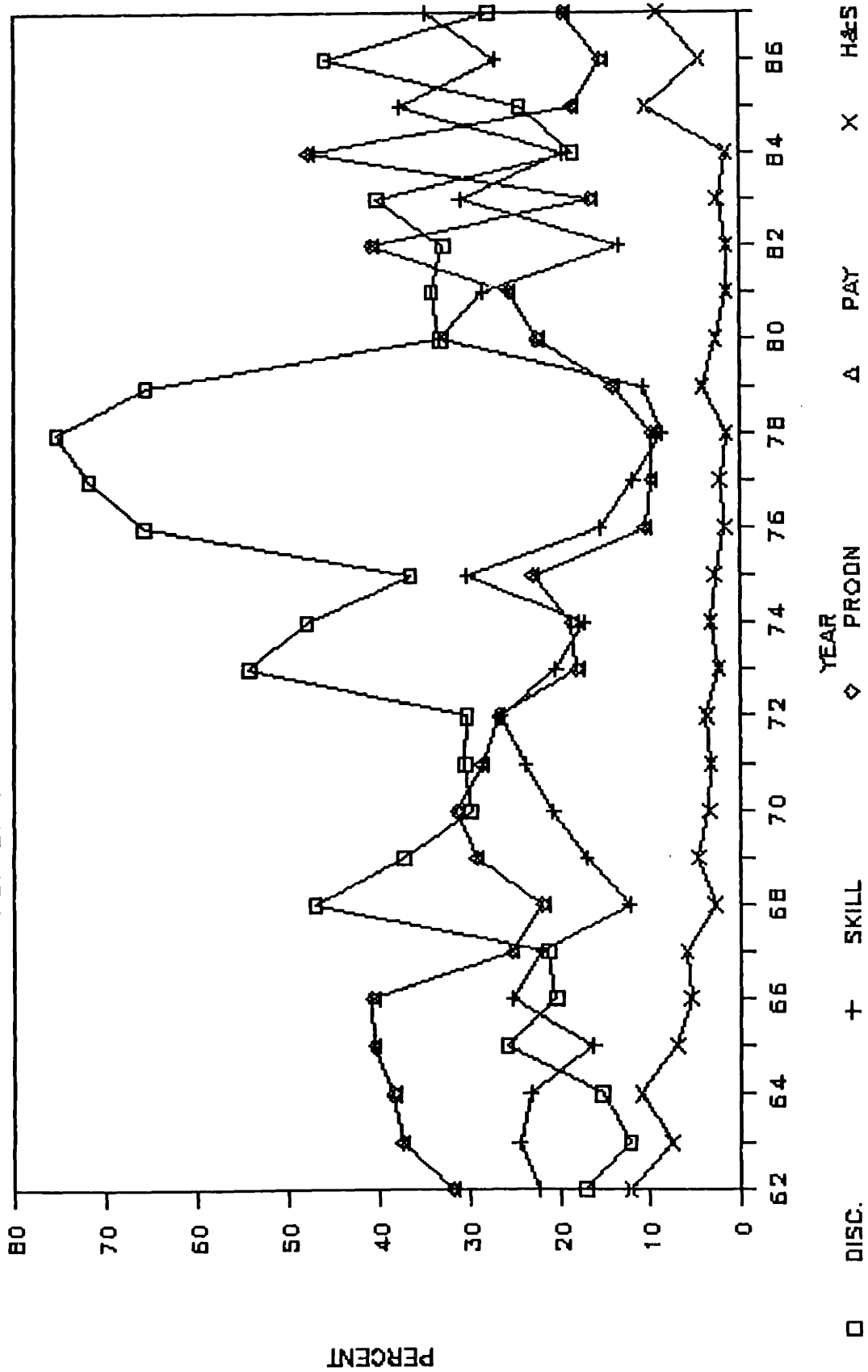
TABLE A.8: PERCENT GRIEVANCES ACCOUNTED FOR BY MORE AGGREGATE GROUPINGS

| Year | Discharges<br>+ Discipline<br>(DISC.) | JUR SK+OC<br>(SKILL) | SUP WK + JR<br>+ JUR P&NP<br>+ OT + SENR<br>(PRODN) | Wage or<br>Pay<br>Related<br>(PAY) | Health<br>and<br>Safety<br>(H&S) |
|------|---------------------------------------|----------------------|---|------------------------------------|----------------------------------|
| 1962 | 17                                    | 22                   | 32  | 11                                 | 12                               |
| 1963 | 12                                    | 24                   | 37  | 9                                  | 8                                |
| 1964 | 15                                    | 23                   | 38  | 7                                  | 11                               |
| 1965 | 26                                    | 16                   | 40  | 6                                  | 7                                |
| 1966 | 20                                    | 25                   | 41  | 4                                  | 5                                |
| 1967 | 21                                    | 22                   | 25  | 14                                 | 6                                |
| 1968 | 47                                    | 12                   | 22  | 8                                  | 3                                |
| 1969 | 37                                    | 17                   | 29  | 6                                  | 5                                |
| 1970 | 30                                    | 21                   | 31  | 8                                  | 4                                |
| 1971 | 30                                    | 24                   | 29  | 7                                  | 3                                |
| 1972 | 30                                    | 26                   | 27  | 8                                  | 4                                |
| 1973 | 54                                    | 20                   | 18  | 3                                  | 2                                |
| 1974 | 48                                    | 17                   | 19  | 3                                  | 3                                |
| 1975 | 36                                    | 30                   | 23  | 3                                  | 3                                |
| 1976 | 66                                    | 15                   | 11  | 3                                  | 2                                |
| 1977 | 72                                    | 12                   | 10  | 3                                  | 2                                |
| 1978 | 75                                    | 9                    | 10  | 3                                  | 2                                |
| 1979 | 66                                    | 11                   | 14  | 2                                  | 4                                |
| 1980 | 33                                    | 33                   | 22  | 5                                  | 3                                |
| 1981 | 34                                    | 28                   | 25  | 4                                  | 2                                |
| 1982 | 33                                    | 13                   | 41  | 4                                  | 2                                |
| 1983 | 40                                    | 31                   | 17  | 4                                  | 3                                |
| 1984 | 18                                    | 19                   | 48  | 2                                  | 2                                |
| 1985 | 24                                    | 37                   | 19  | 6                                  | 10                               |
| 1986 | 46                                    | 27                   | 15  | 4                                  | 5                                |
| 1987 | 28                                    | 35                   | 19  | 4                                  | 9                                |

## NOTES:

1. Sources: table A-7; abbreviations used in column titles here are defined in the column titles of table A.7.
2. The abbreviations in parentheses on the bottom of the column titles here are used in figure A-7.
3. In 1962-65, skilled and direct plus indirect production jurisdictional grievances were grouped in the improper work assignment category. In the table above, three quarters of these have been placed in the SKILL column for 1962-65 and one quarter have been placed in the PRODN column. Except for three outliers, between 1966 and 1987, the skilled jurisdictional grievances always made up between 69 and 85 percent of the sum of skilled and production & non-production jurisdictional grievances.

FIG. A.7: AGGREGATE GRIEVANCE GROUPINGS  
PCT. OF GRIEVANCES EACH ACCOUNTS FOR





APPENDIX D: CURRENT AND NEW TECHNOLOGY AT KITCHENER AND  
DETROIT

By the mid-1980s, Kitchener and the formerly more diversified Detroit plant both consisted of eight assembly areas (each dedicated to the production of major body parts or full frames for a luxury car, van or truck) and a press shop containing around 200 presses and 13 or 14 press lines. The presses, arrayed in series, each bent, punched holes, and trimmed excess material off the steel blank fed into the first, or "draw", press. The operator (occasionally two operators) manually loaded the part into the press and held a button down to make the press cycle. At Kitchener, the part was ejected automatically to the adjacent press operator who loaded the part into the next press. At Detroit, older presses which workers used to unload manually had been retrofitted with automatic unloaders--nicknamed "charlies"--that reached in, attached three suction cups to the part, and pulled it off the press bed. In the assembly lines at both plants, workers operated automatic machinery or hand welded and rivetted different components into a final product. These parts, sometimes after painting, were then packaged and shipped.

As it modifies the features of stamping and assembly manufacturing that contributed to the strength of Budd's unions in the past, new technology could have profound consequences for the power of work groups and the character of shop floor relations. Most significant, automation and the switch to lighter weight materials have made many production jobs less physically demanding; and automation has reduced worker control over the pace of production.

New technology at Budd has not substantially changed the skill content of production jobs. It has created the need for new, predominantly electrical skills among maintenance workers. Fixed and programmable automation will also significantly reduce the number of direct production workers needed to produce a given flow of output. Two production workers staffed the one automated press line at Kitchener in 1986. Nine operated it before it was automated. Automation will simultaneously increase the ratio of skilled to production workers. In one of the manual welding assembly areas in Kitchener, the GM Standard Truck (or ST) frame department, 100 production workers welded while 3 skilled tradesmen maintained the line. In an assembly area equipped with automatic resistance welding machines, by contrast, 12 assembly welders and six or seven skilled trades staffed the line. The anticipated increase in the proportion of workers in the skilled trades was not yet evident in 1986 figures for the plants as a whole. The relative numbers of production to skilled workers anticipated at Shelbyville--200 to 50--are also little different from the current ratios at Kitchener and Detroit, although this may partly reflect the reassignment of some

traditional maintenance work to "technicians" at Shelbyville.

Both the Detroit and Kitchener plant had recently installed some automatic loading equipment in their press shop. In spring 1986 at Kitchener, Budd automated one line by adding an automatic loading arm and programmable controllers to four 600-ton presses. This line produces the largest-volume part in the plant, a rail extension used for two GM motor compartment rails assembled at the plant. The small, galvanized rail extension is lighter than parts traditionally produced at Budd, making it easier to automate. On the automated press line, one operator loaded the blank onto a table-like structure at the front of the first press. This triggered two automatic arms to pick up the blank with suction cup extenders and transfer it onto the press bed. After the first (and each succeeding) press ejected the part, automatic arms loaded it onto the next press. At the end of the line, the second operator stacked it in a bin.

Two new press technologies at Budd sought to speed up die transition. One was a multi-die press. This contained five different dies in one press bed. The operator placed the blank on a platform where a mechanical arm picked it up and placed it on the first die. An automatic transfer mechanism then passed it along the five dies as other blanks follow behind it. Five presses moved to Kitchener from Philadelphia were also equipped to use automatic die change technology. This technology reduces the time it takes to remove old dies and position new ones. To be used, the technology required additional expensive hardware.

Budd's assembly areas contained three generations of welding technology: manual welding, fixed automation and flexible, computerized automation. Lines assembling new parts contained some of the most advanced dedicated and flexible welding technologies in the industry.<sup>394</sup> On the Kitchener GM rail assembly lines, for example, dedicated automatic resistance welding machines performed about 400 spot welds on each part. Production workers loaded parts into the welders and manually transferred them from machine to machine. On a Chrysler line, 14 robots welded parts onto a cross-member. This Chrysler line represented the first successful welding of two-sided galvanized material in the North American auto industry (Sloan 1985). A new assembly line for a Chrysler C-car part had 28 robot welders and was projected to have 40 by the 1989 model year.

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<sup>394</sup> The customer typically pays for dedicated tooling but not for flexible technology that may be used later on other parts. With traditional accounting methods, this makes robots and other programmable technologies hard to justify even when customers commit to longer contracts.

APPENDIX E: INTERVIEW GUIDE FOR PRODUCTION WORKERS

1. PERSONAL BACKGROUND:

Age:

Sex:

Marital Status:

Education:

Born:

2. JOB:

What is your job title?

How long have you been at the company?

at this plant?

in this department?

Layoff history at Budd:

Work history before Budd:

Could you describe your typical tasks?

Responsibility for quality? Minor maintenance?

How long did it take you to learn your job?

Did you receive any formal training for it?

Has your job become any more or less challenging recently?

Does automation make your job more or less complex?

What do you like most about your job?

What do you like least about your job?

What do you think about during the day?

Have there been any major changes in your job recently?

Are there any problems in your area?

How hard is the work now compared with the 1970s?

How does the fraction of the day you work compare with the 1970s?

3. GENERAL:

Looking back over the last ten years what would you identify as the most significant events at this facility:

4. RELATIONS WITH MANAGEMENT:

How well do you get along with supervisors?

What are the most common worker-supervisor disputes in your area?

Have relations with supervisors changed in the past few years?

How do you feel about upper level managers?

How do you feel about working for Budd?

How do people in the community react when you tell them you work for Budd? Is this reaction different than in the past?

What kinds of disputes led to wildcats in the 70s? How are those disputes dealt with today (or don't they arise)?

If you have a problem on the floor, who do you generally speak to? Does it depend on the type of problem? Has this changed at all recently?

5. TIMING JOBS:

When was the last time a new job was set up or an old one retimed on your line?

Was there any conflict with management about the production quota or staffing of the job? How was it resolved?

Catalogue of types of leverage workers have in these situations.

Do skilled workers play any role in these incidents?

6. INFORMAL GROUPS ON THE SHOP FLOOR:

Do some people have more contact with the union steward than others?

Could you characterize this group?

How is this group viewed by other workers?

Are there any other identifiable groups of production workers in the plant?

Are the frictions between different groups of workers weaker or stronger than a few years ago? Why?

How well do you get along with skilled workers? Die-setters? Inspectors? Other groups?

Are racial or ethnic tensions important in this plant?

7. EMPLOYEE INVOLVEMENT:

Do you participate in an EI group? Why did you join (or would you like to belong to one)?

What do you think is the basic purpose of EI?

What do you like about EI? Specifics.

What don't you like about EI? Specifics.

Composition/Accomplishments/Barriers Impeding Progress of your EI group.

Do you ever discuss other workers in your group?

Should EI be expanded?

8. STATISTICAL PROCESS CONTROL:

Do you use SPC on the job?

Have you received any SPC training?

Are you in an SPC group?

What do you think is the purpose of SPC?

What are the positive effects of SPC?

The negative effects?

Should SPC be expanded? In what way?

9. COMMUNICATION:

Are there any meetings or other forms of communication between management and workers in your area?

Do you receive any information about the company's economic performance? Through what channels?

Has this information had any influence on your thinking about the company or other issues?

10. JOB SECURITY:

Are you concerned about job security?

What is the best way to protect your job?

What do you think the future of this plant depends on?

What are the most important threats to the future of the plant?

Do you think the union should give wage concessions to help win contracts?

Modify work rules and job classifications?

11. EI AND THE GRIEVANCE PROCEDURE:

Do you have any contact with the union?

Do you ever file grievances? Describe the last grievance you filed.

How would you deal with that problem if it came up again today?

Do you think EI interferes with the grievance procedure at all? Examples.

12. LOCAL CONTRACT:

Are you satisfied with the local contract?  
(Classifications/ job bidding/overtime allocation)

13. UNION ROLE:

Has the role of the union changed at this plant at all in the last few years?

Do you think the union should try to increase its influence on management decisions?

In what areas: bidding on contracts, introducing new technology etc.?

Are there identifiable factions in the union or just a lot of individuals running for office? In the past? Is a candidate's position on employee involvement and spc an important part of the campaign for union steward or office?

What do you think of the national union?

What do you think of free trade?

Of profit sharing?

14. CAREER/PROMOTION/REWARD SYSTEMS:

How do you get to a better job in this plant?

How are foremen selected in this plant? Lead hands?

Do you like these promotion systems? Have they changed at all recently?

Would you ever consider taking a foreman's job? Is this answer any different than it would have been a few years ago?

15. OUTSIDE ASSOCIATIONS:

Do you have any strong ties to any clubs or groups outside the plant?

Who do you vote for in political elections?

16. WRAP-UP:

How would you change your job to make it more satisfying?

How could you run your department more efficiently?

What do you expect to be doing 10 years from now?

Is there anything else of importance that you would like to mention?



APPENDIX F: CAW PHILOSOPHY STATEMENTSTATEMENT OF PRINCIPLES

## WORKING PEOPLE NEED UNIONS

We formed our union because we could not depend on employers to provide us with dignity, a measure of security, and a rising standard of living. And, over the years, we did make impressive gains. But our objectives remain far from fulfilled, and, with even our past gains under attack, WE NEED UNIONS TODAY AS MUCH AS WE EVER DID.

## DEMOCRATIC UNIONISM

Unions are voluntary organizations. We can only be effective if the membership knows the union truly belongs to them. This means a union which reflects the goals of its membership, allows the members full participation, and encourages workers to develop their own skills and understanding.

Internal democracy also means we view each other as EQUALS. Racial discrimination or sexual harassment violate our principles, undermine our solidarity and erode our strength. We not only oppose such responses but will actively work to overcome them.

## UNIONS AND A DEMOCRATIC SOCIETY

In our society, private corporations control the workplace and set the framework for all employees. By way of this economic power, they influence the laws, policies, and ideas of society. Unions are central to our society being democratic because:

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Unions bring a measure of democracy to the place of work,  
which is so central to people's lives.

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Unions act as a partial counterweight to corporate power and  
the corporate agenda in society more generally.

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## SOCIAL UNIONISM

Our collective bargaining strength is based on our internal organization and mobilization, but it is also influenced by the more general climate around us: laws, policies, the economy, and social attitudes. Furthermore, our lives extend beyond collective bargaining and the workplace and we must concern ourselves with issues like housing, taxation, education, medical services, the environment, the international economy.

Social unionism means unionism which is rooted in the workplace but understands the IMPORTANCE OF PARTICIPATING IN, AND INFLUENCING, THE GENERAL DIRECTION OF SOCIETY.

## BUILDING TOMORROW

Unions were born out of struggles to change the status quo. Our successes extended progress beyond unions themselves, and our struggles became part of a SOCIAL MOVEMENT for a more humane society here and for peace and justice internationally. These struggles were first steps towards developing the confidence that change is possible and that our vision of society is NOT JUST A DREAM.

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*We are proud of the leadership role we have played, aware of the difficulties continued progressive change will face, and committed to building the social solidarity that can take on this challenge.*

CAW  TCA  
CANADA

---

National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, (CAW-Canada)

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