

**SOCIALIST PROJECT LABOUR FORUM**  
**WINDSOR, FEB 4, 2006**

On Feb 4, 2006 the Socialist Project organized a labour forum in Windsor to get an update on the struggle at Delphi and to consider the implications for Canada. Speakers at the forum included Dennis Delling, a Delphi worker and activist in mobilizing the resistance against the corporation; Jerry Tucker, former head of New Directions which led the fight against concessions within the UAW in the 80s and 90s; Mike Vince, the President of CAW Local 200 (Ford Engine); and Sam Gindin of the Socialist Project. Below is an expanded version of Gindin's comments to the forum. [For background articles on Delphi, check the Socialist Project Bullet at <http://www.socialistproject.ca/bullet/index.html>, and especially the publication of a UAW rank-and-file group at <http://futureoftheunion.com/>]

**CONCESSIONS: FIRST TIME DEFEAT, SECOND REVIVAL?**

In the early 80s, the implications of neoliberalism were quickly revealed as the auto majors reversed four decades of steady growth in wages by successfully forcing concessions on the once powerful UAW. That working class defeat had not just continental, but global ramifications. When, a little over two decades later (2004) Delphi - the largest parts manufacturer in North America - declared that it would reduce workers' wages by over 60%, it seemed that another even more dramatic round of concessions was about to begin. But this time, a remarkable resistance emerged from below which, combined with worker scepticism of union-negotiated concessions at GM and Ford (with Daimler-Chrysler workers expected to be even more critical) raised a new possibility. Rather than another defeat, could the push for concessions open the door today to a *revival* of the American labour movement?

Without struggles and mobilization from below nothing is possible. Yet in itself, this is not enough. As we've seen over the past decades, localized struggles come and go and may in the end not add up to much – no matter how heroic and impressive they are – if they are not able to extend their reach. My comments are about what 'extending their reach' might mean.

## *1. Putting National Health Care on the Agenda*

Let me start first with the situation in the US. The crisis in the US auto industry has many elements but both GM and Delphi have highlighted one particular dimension that auto workers must take on board: the contradictions in the privatization of the welfare state, particularly in health care (with pensions not far behind)<sup>1</sup>. In the US, unlike every other developed country, no national health care plan emerged, but organized workers were able to negotiate private protection through collective bargaining. As long as the economy was growing and competitors were marginal, things went relatively smoothly for these particular workers. But as competitors emerged, the Big Three downsized and its smaller workforce was carrying not just its own rising health care costs, but those of the retirees. As these costs and other factors led to a fall in the Big Three's share of the market, there was an increase in the ratio of retirees to actives and the burden of health care costs got even worse (incentives to retire early as a way of limiting layoffs further exacerbated the problem).

Trying to solve this problem by demanding worker concessions is not only unfair but it just sidesteps the larger issue of the absence of a national health care program. Workers should be declaring, loudly and clearly: 'Don't talk to us about concessions, talk about National Health Care'. And if the companies are screaming 'Crisis!' and putting a national focus on auto and other organized workers, workers shouting out 'No to concessions, yes to national health care', will be heard. They'll especially touch a nerve when:

- 47 million Americans don't have health care (even though half the total health care expenditures in the world occur in the US);
- all organized workers are increasingly feeling they may soon join the other 28 million Americans who now have to buy their own health care (i.e. are not part of company plans of some sort);

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<sup>1</sup> While corporations place monies into pension trusts to set aside monies for future pensions, health care – even for retirees – is paid for out of general revenue.

- when health care is the number one American concern in national polls, ranking even ahead of the war in Iraq; and
- when even American business is now looking to some form of government intervention to bail them out of what they feel that their companies - and the country as a whole - can no longer afford (the US spends almost 16% of its GDP on health care; if it spent the same proportion that Canada spends, the savings would exceed the total US Defence and Homeland security Budgets!)

The point is that *if* Delphi, GM and other autoworkers are able by saying no to concessions and are therefore able to place this on the national agenda, the union leadership – which is itself sympathetic to the issue but has to date not been ready or able to commit to it - will be *forced* to support the issue. And if this spreads to other unions with matching concerns there is a chance that the labour movement might once again, as it did in the 1930s, be the social movement that really matters. And in leading such a fight, who knows – the American labour movement might finally have a focus that addresses the riddle to how to revive and renew itself that decades-long sleep that has affected workers everywhere.

Canadian workers are of course extremely interested in this. Not only are Canadian autoworkers, negatively affected by the American health care costs because of their integration into US auto production; and not only would a fight *for* national medicare in the US reinforce our fight in Canada against the erosion of health care; but an American labour movement in motion would, as in the 1930s, create the crucial space for us to intensify our own struggles.

## 2. *Free Trade*

For both Canadian and American workers, there is no one thing that will solve all our problems. But it is clear enough that rejecting free trade is a condition for moving ahead and sustaining any future progress. Free trade is essentially about the freedom of corporations and that freedom comes at the expense of the freedom of the rest of us. It not only allows corporations to unilaterally make decisions that may harm us, but increases the power of corporations to pressure

workers and governments to conform to their needs. Rejecting the logic of free trade raises the larger question of power in society and whether we can really have a democratic society if the most important decisions affecting our lives and communities are made by a small minority and not those affected. That is, there is a contradiction between saying our society is democratic because we have the right to vote and leaving corporations with the economic power to limit what we can vote for.

In this context, it is important to be focussed on who the enemy is. We must not be diverted into blaming Chinese workers for our problems. Like us, they are trying to address their needs and the level of struggle amongst Chinese workers has been escalating against both state companies and against the multinationals. In the case of Delphi, for example, investments in China to meet the growing Chinese market are one thing, but moving production from plants in North America and then expecting to export the products back here is quite another. Delphi can't be allowed to sacrifice worker's livelihoods and standards in the name of 'free-trade freedom'.

### *3. Regulation Competition and Excess Capacity*

As important as it is to challenge free trade, it is not enough. Honda, for example, now assembles more vehicles here than it does in Japan – the Japanese companies are not just shipping vehicles here but producing them here. The problem with this is that every new plant creates excess capacity and leads to the closure of an existing plant. Consider the recently announced investment by Toyota in Ontario. They received a \$250 million subsidy from the two levels of government but at the end of the day, there will be no new jobs as Toyota sales replace other sales (in fact, because Toyota's content is lower than existing plants there will be fewer plants); there will not be any new tax revenue (in fact, because of the subsidy, there will be less money available for other social programs); and the industry will be less unionized and democratic (as unionized plants are replaced by non-union ones). Exactly how is this investment a plus?

Of course, if the plant was going into a depressed area or where a previous plant had just closed, that might be another matter. But that's the point. There must be some democratic input into such decisions and they cannot be left to the market. Raising such issues sounds pretty radical because it questions the right of private investors to do as they please as opposed to a principle of democratic planning about the level and direction of investment. And it *is* radical; we shouldn't underestimate the kind of opposition we'll get once we challenge property rights in any way. But there are some precedents to build on:

- In the early 70s, A Liberal minority government introduced the 'Foreign Investment Review Agency' (FIRA) with the common-sense notion that before being approved it had to be shown that the foreign investment was 'in the national interest'.
- In the 80s, European governments looking to limit the Japanese penetration of their market learned from the North American experience that trade limits could be circumvented by entering the market directly and so Japanese direct investment was included as part of the overall limit on their market share.
- In the US, foreign investment has often been limited in the name of national security. Why can't *worker* security also be given such national status?
- [A further example is the successful mobilization against Wal-Mart coming into some local communities. Though not quite comparable to auto plants (where communities have fought to get plants even though there may be no net advantage from an industry-wide perspective), this does point to the possibility of blocking a-social investments through both legal and political means.]

#### 4. *Work time*

Reduced work-time is one way to share jobs in industries with relatively decent-paying jobs. Overtime is particularly harmful to class solidarity when it occurs while others are laid off or young workers are looking for a job but see opportunities limited by the unequal distribution of work. One way of doing this is to limit the use of overtime after a layoff until everyone is called back (especially since such layoffs are often a mechanism for downsizing by not bringing everyone back even when the market returns). The current policy of the CAW at Ford, and currently affecting Ford Engine workers of work-sharing - some weeks on and some off for the whole workforce as opposed

to a few losing their jobs - has been controversial. But its part of building the union; its something the younger workers will remember and appreciate as opposed to the argument that seniority layoffs cost them their jobs. In the early days of the union at Ford, when the survival of the new union was so tentative and solidarity so crucial, the workweek was contractually lowered to 32 hours before any layoffs occurred.

But there is another dimension of work time that must be revived. In the early days of the union limiting the hours of work was so crucial because workers saw it as being about regaining control over their own time. It was a matter of preserving their dignity, having time to develop as a human being, and having the time to participate as an active member of the community. Without this latter dimension of work time – its link to having the time to learn and be active - its hard to believe that we will ever be able to really change our lives.

### *Conclusion*

It's easy to identify barriers to improving our lives. The issue is how we develop the collective capacity to overcome those barriers. This involves making links across plants and across unions, and across the labour movement and other social movements. It means educating ourselves so we fully understand what we are up against and where the openings for resistance might be. It means learning from every struggle – defeats carry lessons and partial victories must be consolidated and developing a sense of strategy. And it means developing a vision that keeps us going and provides some direction as we manoeuvre between immediate and longer-term goals. At any point in time, the choices seem limited. Expanding those options is what we must also focus on.

It's this kind of capacity-building that, in forming the Socialist Project, some of us hoped to build. Our ultimate goals is to replace capitalism – based on competitiveness and some controlling the lives and potentials of others - with a society based on the full and mutual development of each of our potentials and where democracy is seen as a form of society, not just a mechanism for

choosing who will administer the system. We see forums such as this one as part of the process, but it will take much more to establish the kind of presence that can really start affecting things. We urge you to check out our publications and WEB-site, find out about the activities of the SP in your community, and join us in addressing and debating how we can concretely build the kind of movement we so desperately need.