

## Labour deal not certain

### Who's to say the CAW will honour Magna contract?

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With North American auto manufacturers facing hard times due, in no small measure, to their historic capitulation to union demands, the ever quixotic Frank Stronach seems determined to follow in their wake. Ironically, his success has been largely predicated upon resisting unionization and carving out Magna International's own Fair Enterprise approach to employee relations.

In the 1980s, Stronach was quick to sketch out his vision of industrial democracy for any interested person. He would invariably sign his handiwork and hand it to you, as if believing that souvenir would some day have historic value. Endlessly inculcating Magna employees with his vision, which included freedom from unionization and paying for performance and qualifications rather than seniority, one wonders how Magna workers will react to Stronach's sudden U-turn.

Is the promise the CAW will deliver strike-free collective agreements more than fool's gold? The answer to that riddle might be found in my own recent experience with the CAW. The union successfully took the workers of my client, Pharmacy Won's (then Hy & Zel), supermarket in CAW's Oshawa heartland from another union, determined to improve the collective agreement it had inherited.

My client and I were equally determined to maintain the management rights Pharmacy Won had in place. To do otherwise would be to invite the CAW to raid Pharmacy Won's other locations. When the CAW was intransigent, we applied to the Labour Board to hold an employee vote on Pharmacy Won's offer, over the CAW's head. We won the ensuing propaganda war and the employees accepted the company's offer against the CAW's recommendation.

While my client won the same type of strong management rights agreement that Stronach hopes the CAW will willingly sign, when faced with entering into the agreement the union walked away, informing the Labour Board it was abandoning its bargaining rights and left the workers unrepresented.

It was not prepared to work under a collective agreement that provided management with strong protections and that could be used as a precedent against it by the other employers it bargained with. And there is little reason to assume the CAW will support a collective agreement that maintains the workplace flexibilities Magna presently enjoys.

The agreement by Stronach and Hargrove will have to be ratified by the employees. Given that they will have to pay \$400 or so in annual union dues and that various CAW luminaries are openly protesting the agreement, it is possible, after the plants are certified and a no-strike contract negotiated, that the employees will refuse to ratify it.

Under the Labour Relations Act, the CAW is required to represent the employees' wishes. Without agreement on compulsory arbitration, the act automatically imposes the right to strike into every collective agreement. Ironically, the union could even strike over that demand before a first agreement is ever signed.

I presume Hargrove will deliver on the no-strike provision in the first three years. And while it all sounds great in Magna's press releases, one wonders if it is worth Magna sacrificing a union-free workplace for three years of peace? Given Hargrove's potential retirement, willing or otherwise, and the negative reaction by much of the CAW brass to this deal, what is the chance it will be replicated then?

Legally, the parties now cannot bind the parties' demands in the next round of bargaining -- to say nothing of the infinite rounds thereafter.

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