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“You’re Not Getting a Dime”

As they sat in the union boardroom on September 29, 2000, waiting for the arrival of the company representatives, the members of Canadian Auto Workers (CAW) Local 2224 bargaining team were far from certain of what they could expect. The Local had represented the workers at the Versatile tractor plant in south Winnipeg for fifteen years, but the meeting that Friday marked the first day of bargaining with the company’s new owner.

Some four months earlier John Buhler, a local entrepreneur, had bought the Versatile tractor plant. For over a decade the plant had been owned by one large corporation or another—Cornat, Ford, and Fiat had all had a piece of the plant since 1987. There was always a danger that a plant in Winnipeg on the bald Canadian prairies might get lost in the multinational shuffle, but in the modern tractor business being owned by a global corporation had considerable advantages. When Ford New Holland owned the Versatile plant, the tractors turned out in south Winnipeg were marketed all over the world by the corporation’s network of 6,000 dealers.

All of the global tractor manufacturers were used to dealing with unions—even if they often dealt with them roughly. They all had labour relations departments and standardized and professional approaches to bargaining. They might be prepared to see how far they could make a union bend, but it was not their policy to break a union.

The bargaining team was less certain about John Buhler’s intentions. The members knew of his reputation as an eccentric, a bottom-feeder, and a turnaround artist whose disparate empire included an agricultural implements division, a furniture company, a glassworks, and a lumberyard. A few years earlier Buhler and the CAW had clashed at Greensteel Industries, a small metal-manufacturing plant in Winnipeg—and in that case Buhler had succeeded in driving the union out. The CAW was not out for revenge, but the union had made it clear that Buhler was just about the last person it wanted to see take over the plant from Fiat in the spring of 2000. Some of the employees feared that he was buying the

plant simply to shut it down, while others worried that he intended to drastically reduce the workforce by contracting out as much work as possible (some of it, perhaps, to other Buhler-owned companies). All of them expected that Buhler was going to be seeking major concessions from the union. Ever since they joined the CAW in 1985, Versatile workers had seen their wages and benefits improve with each contract. The message that the workers gave their bargaining team in 2000 was that they were not prepared to take any steps backward.

Dale Paterson, the senior staff CAW representative in Winnipeg, had counselled the Local to take a cautious approach. At first Paterson had considered putting a charge under the bargaining team—giving them “a blast” in front of the membership to get them moving. Thinking twice about that, instead he told the team that they would have to be “a lot smarter” than usual in these negotiations. The union couldn’t do its usual “go in ‘bang, bang, bang, you know, take you out on strike, you know we’ll hold you out for ransom’ kind of a thing.” At that point, Paterson said later, he just didn’t know how to do it smarter. But if nothing else, doing things smarter meant that Paterson and Scott McLaren, the chairperson of the Local’s plant committee, were going to take detailed notes on everything that was said at the bargaining table.

McLaren, a veteran of numerous internal union battles, realized that the union would not make any progress without a struggle.

The very location of the bargaining session—in the union offices, in a nondescript two-storey building in south Winnipeg rather than in a hotel meeting room—was a testament to Buhler’s legendary unwillingness to overpay for anything. Buhler had wanted to hold the talks at the plant, a few minutes’ drive to the south of the union office in an industrial park. Like most unions, the CAW was reluctant to hold talks on company property. Holding talks on neutral territory reduced the risk of misinformation or rumours being leaked to the members as the talks proceeded. But there was no way that Buhler was prepared to pay for a hotel meeting room when he had a perfectly acceptable boardroom at his factory. In the end he agreed to meet the CAW team at the union office, so there they were, waiting for Buhler and his bargaining team.

When the elevator opened, the CAW team, which included McLaren, Paterson, and eight other members of the Local, got their next surprise. The only person who walked out was John Buhler. He was going to conduct negotiations on his own—without even having anyone there to take notes for him.

The sixty-seven-year-old Buhler hardly looked the part of a tycoon

or a bully. That morning he was bubbling with excitement. He had, he said, some important news to share with the bargaining team. McLaren asked if Buhler was going to announce that he had found a distribution network, since without a string of distributors the plant had no long-term future. No, Buhler said, it was nothing like that. He just wanted to let them know that he now had \$66 million in the bank. After offering to show the team his bank account—and noting that it was actually his wife's account—he repeated the \$66-million figure and opened negotiations by telling the union bargaining team, “You're not getting a dime.”

While the CAW bargaining team was trying to figure out if Buhler was kidding or not, the \$66-million man explained that he had forgotten to bring either a pen or a pad of paper with him. Paterson gave Buhler a pen and paper. He told the owner that the union was not looking for a fight. With the conflict at Greensteel in mind, Paterson said that while the union had some history with Buhler he did not intend to let those experiences colour these negotiations. Paterson was trying to prevent the talks from getting too rancorous, but Buhler brushed aside the olive branch. He looked at the bargaining team and announced, “You're not going to like my proposals.”

Before Buhler presented his proposals, McLaren outlined the CAW's opening position. As each item was introduced, Buhler in turn provided a colour commentary on the likelihood—or unlikelihood—of it being adopted. To a proposal that the bargaining unit be expanded, Buhler said he would have to be six feet under before that happened. In response to a proposal for language that would tighten the prohibitions on management personnel doing the work of union members, the owner said, “I'd propose to loosen it rather than tighten it. You don't run the factory. I run the factory.” At another point he said that it ought to be possible to cut the size of the contract in half by making it much simpler. When McLaren proposed that the company would provide each worker with twelve hours of health and safety training, Buhler said, “You can't expect me to pay for it unless you take it out of the pot.” The idea of a full-time health and safety representative was greeted with, “I'm not going to respond to that. You will hate my guts.” Rather than accept the union proposal to ban further contracting out of work, Buhler said, “Your work will be contracted out to some union and non-union places.”

Perhaps in recognition of the negative nature of what he had said so far, Buhler prefaced his own comments with a bit of a pep talk. “I wanted to build tractors since I was sixteen, now I'm sixty-seven and passionate. I can save this factory.... I've never owned a suit over \$200. Let's do this together. This part isn't fun, but work should be fun.” He

followed up with a warning that if he were backed into a corner he would padlock the doors.

While the CAW proposals had been presented in detail, all Buhler had to offer was a single page that he said he had typed up earlier that day. (He even managed to get the union's name wrong, referring to it as the UAW rather than the CAW.) At the outset he said that he planned to increase sales by improving quality and lowering costs. He had already commenced this campaign, he said, by reducing administrative costs by 30 per cent. Buhler was proposing a two-year wage freeze, although there would be bonuses to a maximum of \$1,000 a year based on the number of hours an employee worked. As Buhler went down his list, the bargaining team members came to realize that a wage freeze was one of the more palatable elements in Buhler's contract offer.

Several of Buhler's proposals focused on discouraging worker participation in the union. The most severe was a refusal to countenance the idea of a full-time union plant committee chairperson. It was common in the CAW to have the union's plant chairperson paid full-time wages by the employer to work full-time for the union, making sure the contract was being adhered to. This idea was anathema to Buhler. He turned to McLaren, the current plant committee chairperson, and said, "Sorry Scott, you're out of a job."

Buhler also announced that vacation pay would only be accumulated on the basis of hours worked—members who took leave to participate in union activity would see their vacations shortened. The company would also stop making deductions on the union's behalf to its political education fund. "If you want to collect for your social club"—Buhler's dismissive term for the union—"you do it." Nor would the employer be making contributions to the labour movement's occupational health centre. All grievances had to be settled, without arbitration, before a new contract would be agreed to. Gathering steam, Buhler explained there would be no more union offices in the plant, and if employees were going to file grievances the matters would all be handled after regular business hours. He also thought the union did not need such a large bargaining committee.

The number of paid holidays was to be reduced from fifteen to ten days. The payout in life insurance was to be reduced from \$40,000 to \$25,000, and for accidental death and disability from \$80,000 to \$50,000. In every past contract the CAW had managed to negotiate improvements to the pension plan. When the CAW was certified at the plant in 1985 the pension plan paid out \$10 a month for each year of service. By 2000 it was paying out \$34 a month for each year of service. Buhler was not

prepared to negotiate any further improvements in the plan. A freeze in the increase in pension benefits would have a dramatic impact on the membership's retirement incomes.

But there was more: the three biggest proposed changes involved the benefit plan, seniority, and limits on contracting out. Buhler said he intended on bringing in the Buhler Versatile Health and Dental Benefits Plan, the same plan that he provided at the other plants he owned. As he described it, the plan would provide each worker with up to \$1,000 a year to spend on medical benefits. Unspent money could be carried over to the next year and used to buy shares in the company. Buhler wanted to reduce the maximum amount to be paid to workers on long-term disability from \$2,600 to \$1,500 a month. He wanted to reduce the short-term disability benefit to no more than a worker could receive from Employment Insurance.

This was a truly aggressive proposal. The CAW's health benefit plans at Versatile was a jewel of the contract. Members paid only thirty-five cents for each drug prescription; every member of a worker's family was eligible for \$150 worth of eyeglasses plus one eye examination every two years and \$550 worth of hearing aid services every three years. The plan also covered hospital, ambulance, tests, and a range of other services. In total the existing plan was worth \$700,000 per year more than Buhler's plan.

On the issue of seniority Buhler said he wanted to resolve questions around his ability to transfer employees within the plant. The bargaining team feared that this meant Buhler wanted to be able to pick and choose which employees would do what and which employees would be laid off. As the talks proceeded, Buhler was to make his hostility to seniority ever more apparent.

Finally, without an end to the current restrictions on outsourcing, Buhler said, the plant had no future. He wanted to delete a provision that said Versatile could not lay people off due to outsourcing. From the union's perspective, that provision had proven ineffective because management had simply contracted out work, often to Buhler Industries, and then several weeks later laid people off on the grounds that there had been a reduction in demand. The workers had wanted the provision strengthened, not eliminated.

Buhler's bravura performance left many of the bargaining team members stunned. Paul Lussier recalled a previous set of talks in which, as a joke Paterson had opened the talks by deadpanning, "This union views bargaining as a process of give and take. You are going to give and we are going to take." According to Lussier, "Dale said that in jest and it

was funny." Now it "was John Buhler's attitude, and he was very serious."

Before the meeting broke up, Local 2224 president Len Rausch came up with a novel alternative to Buhler's proposals. He pointed out that in many ways the CAW contract still lagged behind the contracts the United Auto Workers had negotiated for agricultural implement workers with the John Deere company in the United States. If Buhler was up to it, Rausch said the union might even be prepared to give up its current contract in favour of a 1979 John Deere contract. Buhler was not interested. He chose to leave them with the warning that his first offer was always his best offer. He meant it.

After the owner's departure, and with those words of warning ringing in their ears, the Local 2224 bargaining team tried to make sense of what had just happened. They could not understand why Buhler had not brought anyone along to support him or take notes. Where were long-time Versatile managers Hugh Bagnall and Ken Kidd? Later on Scott McLaren recalled, "If they had been there, I think we could have reached a resolution on the issues. They were tough negotiators, but they knew the history of the plant, the way the union and company operated." By not bringing them Buhler was signalling that past practices were just that: things of the past that he was not prepared to be bound by. "He didn't want to have that relationship," McLaren said. "He didn't want that to continue on." And why was he putting so many contentious issues on the table at once? According to McLaren, "Unlimited subcontracting on its own would have been enough to trigger a strike." For Lussier the union was "headed down a very slippery path at that point in time. We knew that the wheels could fall off this cart right away, if they hadn't already."

An irresistible force and an immovable object were on a collision course. Less than a month later the Local 2224 members walked off the job. Despite warnings from McLaren that the strike would probably last for months, many of the workers believed that the strike would be over in a matter of weeks. It would be nine months before the picket lines came down, and when they did the workers had no jobs to return to. The length and bitterness of the Versatile strike were predictable. No one could have foreseen Buhler announcing that, even though the Canadian government had loaned him over \$30 million to buy what was the last tractor plant in Canada, he intended to shutter the plant and reopen it in North Dakota. No one could have predicted that the CAW would be lobbying the Manitoba government to buy the plant. The

union's decision to vote to return to work in the spring without a contract, the Manitoba Labour Board decision that Buhler had to pay the union \$6 million in lost wages as compensation for his bargaining in bad faith, and Buhler's end-game proposal to pay the union and its members close to \$20 million to go away were all bolts from the blue, all of them unprecedented.

To some observers the Versatile strike was little more than a labour relations version of the battle of the monster trucks. Indeed, as the strike neared its final days one reporter concluded that Buhler and the union deserved one another. Like all large-scale industrial disputes, this one saw plenty of posturing and bluster on both sides, but the strike also brought a series of broader questions into focus. Why are Canadians so bereft of industrial strategies that a canny entrepreneur can buffalo the federal government into virtually giving him a tractor plant? How has it come to pass that the future of a tractor designed and developed in Winnipeg was decided in Rome, Amsterdam, London, and eventually Washington? What are the limits within which a labour-friendly provincial government can operate these days?

Finally—and this is a question more rarely asked—what resources did the Versatile strikers draw upon to sustain themselves for nine months, as they saw their pasts and their futures being taken from them? Why did they not give in, give up, or go away?

Although the union won a number of stunning victories along the way, this is not a story with a happy ending. Over 250 men, all of them with at least twenty years of experience, lost their jobs. Few of them would find jobs that paid as well as the ones they had at Versatile. Not surprisingly, most of them would prefer to be still working at Versatile, but of the two dozen or so former Versatile employees that I spoke to, none had any regrets about what they did, and none wanted to have John Buhler dictating their working conditions. Every man on strike had worked at the plant before the CAW was brought in; they remembered the days when the foremen could promote favourites and lay off older workers at will. The CAW had not only provided them with better wages, better benefits, and better working conditions, but had also provided them with a collective sense of self-worth. The union and the contract were theirs, something that they had created, fought for, and defended.

To know who these men are, to know the history of their local—to examine the experiences that created a deep pool of solidarity that would nourish them for nine months—is to come to an understanding of why these workers were able to hang in for so long, an understanding of the lengthy struggle they put up to protect that union.