

## Article

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Steven High

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# “I’ll Wrap the F\*#@ Canadian Flag Around Me”: A Nationalist Response to Plant Shutdowns, 1969-1984

STEVEN HIGH

**R**ecent studies of trade union responses to plant closings and industrial restructuring during the 1970s and early 1980s have juxtaposed Canadian militancy against American passivity. The contrasting fortunes of the labour movements in Canada and the United States are perhaps best represented in the changing rates of unionization in the manufacturing sector. While the rates of unionization were comparable in the two countries during the 1950s and 1960s, this was no longer the case by the 1980s.<sup>1</sup> In 1986, the Canadian rate of unionization of 41.6% nearly doubled that of the United States. What makes the divergent paths taken by the two labour movements particularly surprising is the fact that workers in both countries usually belonged to the same unions and faced the same multinational corporations across the bargaining table.

The debate over the reasons for these divergent trajectories of the Canadian and American union movements has revolved around two competing explanations. First, scholars such as John Holmes and A. Rusonik have provided an economic explanation.<sup>2</sup> The union movement in Canada, it now seems certain, benefited from the low Canadian dollar and the fact that economic disruption was not as great in Canada prior to the signing of the Free Trade Agreement in 1988. While dozens of massive steel mills and sprawling auto assembly plants closed permanently in the United States, none closed north of the border during this time period. Only small- and medium-sized mills and factories closed in Canada. Moreover, American trade unions had to contend with the Taft-

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- 1 Noah Meltz, "Unionism in the Private-Service Sector: A Canada-US Comparison," in *The Challenge of Restructuring: North American Labor Movements Respond*, Jane Jenson and Rianne Mahon, eds. (Philadelphia: Temple University Press, 1993), 210.
- 2 John Holmes and A. Rusonik have shown that these economic differences resulted in dramatically different bargaining positions in "The break-up of an international labour union: uneven development in the North American auto industry and the schism in the UAW," *Environment and Planning A* 23 (1991): 9.

Hartley Act of 1947 that made it more difficult to unionize workplaces in "right-to-work" states in the US South and Great Plains.<sup>3</sup> There was no comparable law passed in Canada. The geographic concentration of people and industry in the Montreal-Windsor corridor further worked against companies "running away" to low wage areas in other political jurisdictions in Canada. These vastly different political and economic contexts gave Canadian trade unionists more room to manoeuvre.

Yet the distinctiveness of these two patterns of job loss should not be overstated. Two great waves of plant closings (the first between 1969 and 1972 and the second in the early 1980s) washed away millions of jobs on either side of the Canada-United States border. The fifteen-year period between 1969 and 1984 thus saw the post-war boom in both countries give way to growing economic insecurity. In Canada, the national unemployment rate rose from a low of 4.4% in 1969 to 8.3% in 1978, and reached the double digits in 1982.<sup>4</sup> Almost one million Canadians were without work at any given moment between 1981 and 1984. In thirty-six percent of these cases, unemployment resulted from plant closure or relocation.<sup>5</sup> Economic explanations for divergent union responses to plant closings therefore only tell part of the story.

The second major explanation comes from those scholars who have studied the institutional structures and cultures of various trade unions. Several scholars, for example, have juxtaposed what they consider Canadian "social unionism" and American "business unionism." In this often simplistic dualism, the blame for the debacle in the United States is placed squarely on the shoulders of union elites who chose to "sell" concessions to their members instead of resisting them.<sup>6</sup> Rank-and-file trade unionists in the United States, we are told, had no choice but to "acquiesce." A related, but far more satisfying, explanation has been provided by those influenced by social movement theory. Charlotte Yates, for example, points to the greater *capacity* of the United Auto Workers in Canada to resist plant closings and concessions.

Institutional and economic explanations, however, do not tell us why Canadian politicians required companies to provide advance notification of plant closings, nor why they made severance pay and preferential hiring rights

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3 For more on the anti-union animus of US-based corporations see Steven High, *Emptied Spaces: The Making of North America's Rust Belt, 1969-1984* (Toronto: University of Toronto Press, forthcoming in late 2002), especially chapter four.

4 Stephen McBride, *Not Working: State, Unemployment, and New Conservatism in Canada* (Toronto: University of Toronto Press, 1992), 5.

5 Garnett Picot and Ted Wannell, *Job Loss and Labour Market Adjustment in the Canadian Economy* (Ottawa: Statistics Canada, 1987), 3. Also see: Statistics Canada, *Labour Force, Annual Averages, 1975-1983* (February 1984), 71 and 529.

6 Kim Moody, *An Injury to All* and Ian Robinson, "Economic Unionism in Crisis: The Origins, Consequences, and Prospects of Divergence in Labour Management Characteristics," in *The Challenge of Restructuring*, eds. Jensen and Mahon, 19.

mandatory in Ontario. These legislative actions were remarkable given the fact that, with the exception of border-hugging Maine, no political jurisdiction in the United States effectively regulated plant closings before 1988. To explain the legislative victories of plant-closing opponents in Canada we must therefore go beyond the internal dynamics of militant trade unions such as the UAW-Canada. Instead, we need to examine the tactics and rhetoric of the wider anti-plant closing movement that emerged in Southern Ontario during this period.

Opponents of plant closings in Ontario drew inspiration and legitimacy from the "new nationalism," a term first used in the late 1960s to describe a growing unease over American influence in Canada. Historian Stephen Azzi has noted that while this nationalism took many forms, its main focus was Canada's economic reliance on the United States.<sup>7</sup> By the mid-1960s, a growing number of English-speaking Canadians even believed that their country was in imminent danger of becoming an American colony.<sup>8</sup> The stark choice facing Canada, said former federal minister of finance, Walter L. Gordon, was between "independence" and "colonial status."<sup>9</sup> In the broadest sense, an emerging discourse of economic nationalism incorporated plant closings into its anti-imperialist critique of direct foreign investment and, later, deindustrialization. As a result it is virtually impossible to disentangle concern over plant shutdowns from anxiety over foreign direct investment and the presumed threat to Canadian sovereignty presented by American multinational corporations.<sup>10</sup>

At first, the "new nationalism" focused on rising levels of American direct investment in Canada. Foreign ownership in the manufacturing sector, for example, rose to fifty-four percent in 1963 from thirty-eight percent in 1926.<sup>11</sup> Seeking a means of escaping the potential dangers of such a close and dependent relationship with American capital, the 1957 report by the Royal Commission on Canada's Economic Prospects, chaired by Walter Gordon, and

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7 Stephen Azzi, *Walter Gordon and the Rise of Canadian Nationalism* (Montreal: McGill-Queen's, 1999), 167

8 This was evident in the popularity of George Grant's *Lament for a Nation* (Ottawa: Carleton University Press, 1965).

9 Walter L. Gordon, *A Choice for Canada: Independence or Colonial Status* (Toronto: McClelland and Stewart, 1966).

10 It should be noted that Canadian economic nationalism was strongest in Ontario. In Quebec, of course, there was a competing nationalism at work. See, for example, A. Brian Tanguay, "An Uneasy Alliance: The Parti Québécois and the Unions," in *The Challenge of Restructuring*, eds. Jenson and Mahon, 154-179. In the West and in the Atlantic provinces, the manufacturing sectors were weak and foreign ownership was less pronounced. The debate over deindustrialization was thus concentrated in Canada's most heavily industrialized and populous province.

11 Melville Watkins, "Foreign Ownership and the Structure of Canadian Industry," in *Gordon to Watkins to You, A Documentary: the Battle for Control of our Economy*, eds. Dave Godfrey and Mel Watkins, (Toronto: new press, 1970), 65.

subsequent reports filed by Melville Watkins in 1968 and Herb Gray in 1972, confirmed many Canadians' worst fears.<sup>12</sup> New nationalists in the Progressive Conservative, Liberal and New Democratic parties repeatedly pointed out that American multinationals were "dedicated to their own survival" rather than to the "national interests" of Canada.<sup>13</sup>

With the downturn in the North American economy in 1969-1970, and the continued uncertainty thereafter, the anti-American discourse within the new nationalism shifted from a lament about too much foreign investment to dire warnings of disinvestment. US-controlled companies, it would seem, closed branch plants in Canada in order to keep Americans employed back home. The protectionist measures introduced by US President Richard Nixon under his Domestic International Sales Corporation (DISC) worked to generalize this suspicion.<sup>14</sup> New nationalists argued that in providing generous tax credits for corporations that shifted branch-plant production back to the United States, Nixon's "New Economic Policy" of 1971 was intended to deindustrialize Canada. In his foreword to *(Canada) Ltd.*, Robert Laxer, for one, explained the idea of deindustrialization as part of his anti-imperialist analysis of dependency.<sup>15</sup> For the book's contributors, deindustrialization did not simply refer to the reduction of the work force employed in manufacturing, "but to the special distorting effects of US ownership of Canadian manufacturing, in particular, US attempts to enhance American employment at home at the expense of Canada."<sup>16</sup> Nearly a decade before its adoption, albeit in a slightly different form, by plant-closing opponents in the United States, the deindustrialization thesis had thus been put to use by the left-wing "Waffle" faction of the New Democratic Party.<sup>17</sup>

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12 Canada, *Royal Commission on Canada's Economic Prospects* (Walter Gordon, Chairman) (Ottawa: Queen's Printer, 1958); Canada, *Foreign Ownership and the Structure of Canadian Industry*. Report of the Task Force on the Structure of Canadian Industry (M. Watkins, Chairman) (Ottawa: Queen's Printer, 1968); and Canada, Department of Industry, Trade and Commerce. *Foreign-Owned Subsidiaries in Canada, 1964-1969* (Ottawa: Information Canada, 1972).

13 Abraham Rotstein and Gary Lax, *Independence: the Canadian Challenge* (Toronto: Committee for an Independent Canada, 1972), 127.

14 Rianne Mahon, *The Politics of Industrial Restructuring*, 17-18.

15 Robert M. Laxer, ed. *(Canada) Ltd: The Political Economy of Dependency* (Toronto: McClelland and Stewart, 1973), 7-8. Many left-nationalists in Canada had ties to the "Old Left" either within the Canadian Communist Party or other left-wing organizations. The resilience of the traditional left no doubt contributed to the resurgence of trade union militancy in Canada during the 1970s.

16 Jim Laxer and Doris Jantzi, "The De-Industrialization of Ontario" in *(Canada) Ltd*, ed. Robert M. Laxer, 150.

17 The Waffle believed that only the federal government had the power, through the nationalization of major industries, to counteract American investment that threatened Canada's independence. See John Bullen, "The Ontario Waffle and the Struggle for an Independent Socialist

While few Canadians agreed with the Waffle’s plan to nationalize parts of the economy, by 1972, two-thirds of them had “accepted its diagnosis of the disease.”<sup>18</sup> Far from being a tool employed exclusively by Canada’s economic and political elites, the new nationalism became a powerful rhetorical weapon in the hands of working people for use against companies that closed plants.<sup>19</sup> Trade unionists, along with left-wing students, increasingly relied on nationalist oratory and the deindustrialization thesis to legitimate their demands for increased legislative protection for Canadian workers. This paper begins with a brief examination of how Canada’s labour law opened the door to a political response to plant closings. It then shows how the closing of Dunlop Tire’s Toronto plant in 1970 established a pattern of nationalist defiance. New nationalism was henceforth put to work by trade unionists and other opponents of American multi-national corporations, culminating in a wave of plant occupations in the early 1980s. As we shall see, Canada’s nascent anti plant-shutdown movement had a ready villain in the foreign multinational corporation, usually American, that allowed the movement to stoke the fires of national outrage and advance public demands for corporate social responsibility.

### The Regime of Industrial Legality

A great deal of recent scholarship in labour studies has focused on how legal developments shaped and re-shaped trade unionism in Canada and the United States.<sup>20</sup> The collective actions of trade unionists are, as Judy Fudge and Eric Tucker observe, “irretrievably enmeshed” with the law and the state.<sup>21</sup> Jane Jenson, Rianne Mahon, Don Wells and, most recently, Fudge and Tucker have argued that the labour struggles of the 1930s and 1940s produced a regime of industrial legality in Canada that defused trade union militancy.<sup>22</sup> Strikes dur-

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Canada: Conflict within the NDP.” *Canadian Historical Review* 64/2 (1983): 188-215. The deindustrialization thesis was subsequently adopted by plant-closing opponents in the United States. But instead of pitting one country against another, it was conceived as a struggle pitting local “community” against “capital.” See Barry Bluestone and Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment and the Dismantling of Basic Industry* (New York: Basic Books, 1982).

18 John Herd Thompson and Stephen J. Randall, *Canada and the United States: Ambivalent Allies* (Montreal: McGill-Queen’s University Press, 1994), 253.

19 Jack Granatstein suggested that nationalism has been employed almost exclusively by Canada’s elite in *Yankee Go Home?* (Toronto: Harper Collins, 1996), x.

20 The most important United States study is Christopher L. Tomlins, *The State of the Unions: Labor Relations, Law and the Organized Labor Movement in America, 1880-1960* (Cambridge: Harvard University Press, 1991).

21 Judy Fudge and Eric Tucker, *Labour Before the Law: The Regulation of Workers’ Collective Actions in Canada, 1900-1948* (Toronto: Oxford University Press, 2001), 5.

22 Jane Jenson and Rianne Mahon, “Legacies for Labour of Two Decades of Crisis,” in Jenson and Mahon, *The Challenge of Restructuring*, 73; Don Wells, “The Impact of the Postwar Compromise on Canadian Unionism: The Formation of an Auto Worker Local in the 1950s,” *Labour/Le travail* 36 (Fall 1995): 147-73; Fudge and Tucker, *Labour Before the Law*.

ing the life of the collective agreement were rendered illegal and unions were required to “police” their own members. This regime of industrial legality, dubbed “industrial pluralism” on both sides of the Canada-US border, left managerial prerogatives not only intact but reinforced.

Yet unlike under the Wagner Act in the United States, compulsory collective bargaining in Canada never included an obligation to negotiate a “close-out agreement” with the local union over the *effects* of a plant-closing decision.<sup>23</sup> There was therefore no legal framework for dealing with plant closings and the resulting dislocation of workers. As plant closings remained outside the post-war compromise, Canadian trade unionists were free to find a political solution to the plant-closing problem.

Prior to 1969, there were few constraints on managerial prerogative to close plants at-will in Canada. Only common law and collective agreements gave workers a modicum of job security. In the case of common law, it was customary for employers to provide “reasonable notice” to workers of their termination. This was usually fixed at one pay period.<sup>24</sup> Labour law in turn held that employers could legally terminate their operations so long as they were not motivated by anti-union animus.<sup>25</sup> At the time, few collective agreements went beyond seniority rights in providing job security for union members. A 1967 study identified only eighty-seven collective agreements in Canada, representing 38,000 workers, with advance notice or consultation clauses.<sup>26</sup>

Beginning in the early 1960s, however, Canada’s federal and provincial governments began to play a more active role in mitigating the impact of job loss. In 1963, the federal government formed the Consultative Manpower Service to assist workers in finding new employment in anticipation of economic dislocation from international trade liberalization. The following year, Justice Samuel Friedman filed his report on Canada’s railway labour problems recommending that employers provide advance notice of all major changes to

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23 Michael C. Harper, “The Scope of the Duty to Bargain Concerning Business Transformations,” in Samuel Estreicher and Daniel G. Collins, eds. *Labor Law and Business Change: Theoretical and Transactional Perspectives* (New York: Quorum Books, 1988), 25.

24 The common law principle of advance notice in cases of individual termination was formalized by legislation in Saskatchewan (1929), Manitoba (1951), Nova Scotia (1964), and Newfoundland (1969). National Archives of Canada (NAC), Department of Labour. RG 27, Box 4465, File 47-2-4 pt 1. Memo, page 4.

25 Jeffrey Sack and C. Michael Mitchell, *Ontario Labour Relations Board: Law and Practice* (Toronto: Butterworths, 1985).

26 Research Branch. Ontario Department of Labour. “Background Information on Advance Notice and Severance Pay” (20 January 1970). Ontario Ministry of Labour. Archives of Ontario (AO). RG 7-20-0, Box 2, File 69: Plant Closures and Layoffs, 1970-1971.

workplace relations.<sup>27</sup> In 1967, the year of Canada’s centennial celebrations, an energetic campaign to save the Dominion Steel Company (DOSCO) steel mill in Sydney, Nova Scotia resulted in its re-opening under the public ownership of the province. The successful Save our Steel (SOS) campaign showed that a determined local campaign with national trade union and political support could in fact work. 1969 turned out to be a watershed year, as the province of Quebec became the first jurisdiction in North America to require mandatory advance notice of mass layoffs.<sup>28</sup> Many provincial jurisdictions and the federal government immediately considered following suit. A meeting of the Ontario Committee on Labour Relations in January 1970, for example, expressed its intention to codify existing common law principles, possibly extending their provisions somewhat, and to legislate modest severance pay.<sup>29</sup>

### Dunlop Sets the Pattern

But political events soon pushed the Ontario government to go well beyond its original intention. The first sign of trouble came in March 1970 when British-owned Dunlop Tire announced its intention to close its East End Toronto factory that employed 597 people.<sup>30</sup> Almost overnight, Dunlop developed – in the context of Great Britain’s diminishing influence – into a symbol for those who feared Canada’s growing dependence on the United States. In “doing a Dunlop,” the company’s name became a derogatory term applied to departing foreign-owned companies that abruptly laid-off their Canadian workers.<sup>31</sup>

Despite the best efforts of Canadian subsidiary president, Neville Proctor, to manage the closing announcement, nothing could have prepared him for the political firestorm unleashed.<sup>32</sup> Popular protest took the form of rallies at

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27 Memo from Deputy Minister L. E. Couillard to the Minister (8 June 1970); Arthur Kroeger, *Human Adjustment to Industrial Conversion* (draft study prepared for the Task Force on Labour Relations), April 1968. Canada, Department of Employment and Immigration. National Archives of Canada (NAC) RG 118, Accession 1985-86/071, Box 90, File 3325-2-3 pt 1.

28 The Quebec Manpower Vocational Training and Qualification Act of 1969 provided advance notice of mass terminations of more than ten employees on a sliding scale of four months for terminations of more than 300 workers, three months for the lay-off of 100-299 employees, and two months for the dismissal of 10-99 employees. Jean Sexton, *Fermetures d’usines et reclassement de la main-d’oeuvre au Québec* (Québec: Ministère du travail, 1975).

29 Ontario Ministry of Labour, “Discussion on Technological Change” (12 January 1970). AO, RG 7-20-0, Box 2, File 69, Plant Closures and Layoffs, 1970-1971.

30 Ontario Ministry of Labour, D. C. McNeill, Special Projects Officer to T. M. Eberlee, Deputy Minister (5 October 1970). AO, RG 7-91, Interim Box 28, File: Dunlop of Canada. Dunlop’s Toronto factory specialized in the manufacture of industrial rubber products such as conveyor belting and hoses.

31 Editorial, “Time of Grace,” *Toronto Star* (10 April 1970).

32 Alexander Ross, “Tale of a plant closure: no pat answers for 597,” *Financial Post* (28 March 1970).

Queen's Park, all-night vigils, a street benefit dance, picketing, and a court challenge. When workers, under the leadership of United Rubber Workers local president Phil Japp, tried to purchase the plant, Dunlop refused to sell the factory or to open the company's financial records for an independent audit.<sup>33</sup> The New Democratic Party canvassed much of Toronto's East End in the course of collecting thousands of signatures on a petition. In the meantime, nationalist students marched from the University of Toronto campus to the rubber plant and a special edition of the University of Toronto *Varsity* savaged Dunlop.<sup>34</sup> These two events signalled to the public that the fight against plant shutdowns had become a nationalist cause célèbre and the Dunlop workers had become their first martyrs. Coming as it did at the height of economic nationalist agitation, Dunlop's decision to give its workers only six weeks notice struck many as a "stark injustice."<sup>35</sup> It connoted the negative effects of foreign companies operating in Canada.

Newspaper editors expressed sympathy for the workers who were being displaced and wholeheartedly supported the introduction of new government regulations to govern plant closures. It seems that the "fair size" of the factory, its prominent location in downtown Toronto, and its seventy-one years of operation set Dunlop apart from previous plants that had closed. In painting their sympathetic portrait of Dunlop workers, editors emphasized their advancing age, their long service with the company, and their Canadian citizenship. In contrast, editors stressed, Dunlop Tire was a huge foreign-controlled company and the decision to close the Toronto plant probably originated outside Canada. "The suspicion is widespread that the decision was made-somewhere in the higher reaches of the huge multi-national concern that more profit could be made by transferring the production," the *Toronto Star* held. Such "tragedies" would happen time and again, it continued, until adequate legislation was adopted. Apparently, the interests of a multinational like Dunlop did not coincide with the "best interests of the Canadian people."<sup>36</sup>

At a minimum, the editors of Canada's major establishment newspapers wanted the federal and provincial governments to regulate how foreign companies would close plants in Canada. Indeed, the Dunlop shutdown "put a big

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33 Ontario Labour Relations Board, *Annual Report* (Toronto, 1970), 356. The case was *Local 130 United Rubber, Cork, Linoleum and Plastic Workers of America v. Dunlop of Canada Limited and Scott-Atkinson International Ltd.*

34 "Students Protest Dunlop Closing," *Oakville Journal Record* (22 April 1970); and "Negotiations Falter on Offer to Purchase, Operate Dunlop Plant," *Toronto Globe and Mail* (24 April 1970).

35 Harold Greer, "Queen's Park Report," *Brockville Recorder Times* (21 March 1970).

36 Editorial, "The Dunlop Caper," *Peterborough Examiner* (17 April 1970). Also see Jack Cahill, "Foreign-controlled companies blamed for most layoffs," *Toronto Daily Star* (Thursday 19 November 1979); and "Foreign control called unemployment cause," *Toronto Daily Star* (12 December 1970).

question mark over the hallowed rights of company management to do as it pleases.”<sup>37</sup> The Toronto *Globe & Mail*, for example, contended that the Ontario government had a duty to respond to the Dunlop shutdown. By claiming that companies should demonstrate to the public that the closing was unavoidable, editors revealed that they did not believe in the inevitability of industrial decline.<sup>38</sup> Even a reporter for the pro-business *Financial Post* thought a company should be required “to show at least some cause to somebody.”<sup>39</sup> These reactions, brought about in the midst of protests on the streets of Toronto in a torrent of economic nationalism, reflected the unprecedented politicization of mill and factory closings. Local protests, in other words, entered national public discourse through the media.

The federal government was put under intense pressure to nationalize the Dunlop Tire plant as the issue dominated question period. The Progressive Conservative Party and the New Democratic Party battered the government.<sup>40</sup> Then discontent over the Dunlop closing spread to the ranks of the Liberal Party, whose Standing Committee on Policy and Research urged Prime Minister Pierre Trudeau “to take all measures necessary to keep the Toronto plant of Dunlop Rubber operating...” For committee chair Stephen Clarkson, a prominent economic nationalist, the Dunlop situation represented “a critical example of a general national problem – multi-national corporations taking steps that may be in their world interests without regard to the best interests of the host country.” He also stressed that by requiring advance notice of mass terminations, workers would get a chance to adjust to job loss.<sup>41</sup> There was therefore internal party pressure as well as external popular protest and media calls to do something dramatic about the Dunlop situation.

Prime Minister Trudeau declined to intervene directly, preferring instead to require pre-notification and mandatory severance pay fixed at a relatively low rate of two days per year employed (to a maximum of forty days’ wages) for displaced workers with a minimum of five years continuous service. At the same time, the Federal government released a White Paper on Unemployment

37 Harold Greer, “Queen’s Park Report,” *Brockville Recorder Times* (21 March 1970).

38 Editorial, “The Government has a duty,” *Toronto Globe & Mail* (1 April 1970).

39 Alexander Ross, “Tale of a plant closure: no pat answers for 597,” *Financial Post* (28 March 1970).

40 Canada, *Hansard*, 13 and 19 March 1970. Federal NDP leader Tommy Douglas called on the government to “take over and operate this plant, as was done with the Dosco steel plant in Sydney, at least until such time as the feasibility of the operation can be established and a course of action mapped out.” At the time, the steel plant was still widely seen as a public ownership success story.

41 Stephen Clarkson to Prime Minister Pierre Trudeau (14 April 1970). Department of Industry, Trade and Commerce, NAC, RG 20, Volume 1609, File 6-41, 1c. Clarkson refers to a Liberal Party of Ontario resolution entitled “Man and Social Change,” adopted in 1966, that stated, in part, that due to the effects of automation and technological change there should be “obligations for employers to provide advance notice in case of shutdown or re-location.”

Insurance (UI) that recommended a major overhaul of the program: nearly doubling the maximum UI benefits, making all workers contribute to the plan, and penalizing those companies that regularly laid off employees. In the charged atmosphere after the Dunlop closure, the government even pitched the changes to UI as a part of its larger legislative package to assist displaced workers.<sup>42</sup> A.G.W. Sinclair, President of the Canadian Manufacturers Association, hoped that these changes would deter more radical proposals to regulate the problem of plant closings. To his chagrin, the closing of Dunlop set in motion a chain of events that led to the adoption of the Foreign Investment Review Act (FIRA) two years later. By enabling the federal cabinet to disallow those foreign takeovers deemed not of "substantial public good," FIRA gave the anti-shut-down movement the legal basis to fight closures.<sup>43</sup>

In the face of this opposition, provincial politicians also scrambled to legislate pre-notification. Premier John Robarts had initially declared in the legislature that the government "was not going to tell an industry what to do," but on April 21 he reversed his position largely because of public outrage directed at Dunlop.<sup>44</sup> Now the government proposed amending the Employment Standards Act to compel companies to provide advance notice of mass terminations. The bill was first brought to Cabinet on April 28 and approved at its May 12 meeting.<sup>45</sup> Soon thereafter, the Ontario legislature adopted the measure despite opposition demands for a longer notice period.<sup>46</sup> Dismissing the province's advance notice legislation as "woefully inadequate," critics on the Left pointed to the many inadequacies of the legislation including the fifty person or ten percent (of the workforce) minimum thresholds; the absence of a severance pay provision; and the many loopholes available to employers.<sup>47</sup> Even

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42 Editorial. "Mackasey package on labor laws," *London Free Press* (10 March 1971).

43 But the agency was a "toothless dragon" as it operated in a policy vacuum during its ten-year existence. Glen Norcliffe, "Foreign Trade in Goods and Services," in *Canada and the Global Economy*, ed. John N. H. Britton, 26.

44 To be sure, there was also a lingering anti-Americanism within the Progressive Party of Ontario during the 1970s. M.L. Skolnik, Director of Research to Len Haywood, Chief Economist. Briefing Notes on Termination Legislation, page 2 (21 January 1976). Ontario Ministry of Labour, AO, RG 7-67, Box 3, File: Termination/ Severance Pay Legislation Review, 1972-1974.

45 J.K. Reynolds, Secretary to the Cabinet, to Dalton A. Bales, Minister of Labour (28 April 1970). Cabinet Decisions: Memos. Cabinet Office. AO, RG 75-6, Box 1, 1970. Also see: Cabinet Office. AO, RG 75-14, Cabinet Minutes, Box 40, File 1970: Labour.

46 "Ontario Bill Makes Employers Give Advance Layoff Notice," *Toronto Daily Star* (28 May 1970).

47 Ontario's advance notice of mass termination did not cover those workers with less than three months service, on fixed term contracts, on suspension for disciplinary reasons, laid-off due to labour disputes, bankruptcies, or temporary layoffs of less than 13 weeks. John W. Eleen and Ashley G. Bernardine, *Shutdown: The Impact of Plant Shutdown, Extensive Employment Terminations and Layoffs on the Workers and the Community* (Toronto: Ontario Federation of Labour, 1971), 90-91.

so, most companies operating in Ontario now had to provide eight to sixteen weeks of advance warning to terminated employees (the extent of notice required was dependant on the number who were being let go).<sup>48</sup>

These provincial and federal government initiatives provoked only muted public criticism from business leaders. In private, the Canadian Manufacturers' Association (CMA) tried unsuccessfully to convince the Ontario government to limit its advance notice requirements to cases of partial or complete plant closures and not to all mass lay-offs generally. When the government stipulated that advance notice be provided only in those cases where more than fifty persons would be laid off in a six-month period, the lobby group thanked Premier Robarts for his rational response "when this emotional subject brought the Government under severe attack," adding that "manufacturers could not fail to appreciate" the government's position.<sup>49</sup> As one business journalist explained, it was "hard for employers to oppose advance notice, unless they are prepared to be regarded as reactionaries."<sup>50</sup> Politically, they understood that the government had little choice but to respond.

The fight against the Dunlop Tire closing thus culminated in amendments to the Ontario Employment Standards Act and the Canada Labour Code requiring advance notice of mass terminations and, in the case of the latter, providing for mandatory severance pay. Equally important, the fight to keep the Dunlop plant operating had brought together youthful economic nationalists and internationally organized trade unionists in an unlikely coalition. After Dunlop, the fate of the nation and the fate of industrial workers would become conflated in the popular imagination and thereby reinforce public demands that the state regulate the plant shutdown process. Despite their failure to re-open the Dunlop plant, the strength of this anti-shutdown movement convinced Ontario Cabinet Minister Stanley J. Randall to write to his colleague Dalton Bales, the Ontario Minister of Labour: "We should, however, learn a lesson from the Dunlop Corporation...so that we don't receive another barrage from the NDP permitting them to make a mountain out of a mole hill."<sup>51</sup> Be it mountain or molehill, the anti-shutdown movement found itself with its first, albeit partial, legislative victory.

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48 Ronald S. Saunders, *Permanent Layoffs: Some Issues in the Policy Debate* (Toronto: Ontario Economic Council, 1981), 5.

49 Memo, 11 August 1970. Ontario Premier John Robarts general correspondence, AO, RG 3-26, Box 177, File: Employment Standards Act.

50 John Schreiner, *The Financial Post* (13 June 1970).

51 Stanley J. Randall to Dalton Bales (3 April 1970). Ontario Premier John Robarts general correspondence, AO, RG. 3-26, Box 376, File: Trade and Industry Branch-Plant Closings, Trade and Development, January-December, 1970.

### Putting Nationalism to Work

In the years that followed, the Ontario Ministry of Labour received a flood of private complaints from Ontario businessmen about the efficacy of the province's advance notice regulations. In order to placate business supporters of the Progressive Conservative government, ministry official Ian Welton met with company executives across the province to discuss the application of the province's advance notice regulations. He discovered that some companies operating in the province had already found loopholes in the legislation, and others were simply ignoring it. Most alarming was Welton's discovery that the managers at Stelco's Page-Hersey works in Welland, Ontario, dodged the advance warning regulation by keeping 150 workers on continual notice. He reported that company managers spent "a fair amount of time and effort in arranging layoffs so as to take advantage of the '10% Rule'" (that allowed employers to lay off more than fifty employees if they represented less than ten percent of the overall workforce at the facility) and, in so doing, made "a complete farce" of the legislation.<sup>52</sup>

Adding to the confusion, the province's advance notice regulation was often rendered meaningless by collective agreements. In March 1974, the Minister of Labour met with the "Big 4" automakers to discuss the disturbing fact that only a "relatively small proportion" of auto layoffs came to the Minister's attention.<sup>53</sup> In response, the managers of Chrysler Canada pointed out that it was impossible to satisfy the requirements of the legislation. While the collective agreement with the United Auto Workers held that laid-off workers enjoyed recall rights for three years, the government considered them "terminated" after only twelve weeks. As a result, Chrysler found itself engaging in the "fairly meaningless ritual of [regularly] issuing the necessary notice in advance of the layoffs" to escape paying substantial sums of money in lieu of notice.<sup>54</sup> In consequence, senior officials in the Ministry of Labour remained uncertain over the legislation's "effectiveness in achieving its stated aims" of providing workers with clear and ample warning of impending job loss.<sup>55</sup>

52 Report by Ian Welton. Advance Notice of Termination-Steel Company of Canada Ltd. (Page-Hersey Works and Welland Tube), 5-6 (8 August 1974). Ontario Ministry of Labour, AO, RG 7-67, Box 3, File: Review of Termination Legislation (Interviews), 1974.

53 Report by Ian Welton. Advance Notice of Termination: Chrysler (25 April 1974). Ontario Ministry of Labour, AO, RG 7-67, Box 3, File: Review of Termination Legislation (Interview), 1974.

54 Report by Ian Welton (11 September 1974), page 4. Ontario Ministry of Labour, AO, RG 7-67, Box 3. File: Review of Termination Legislation (Interview), 1974. A Supplemental Unemployment Benefits (SUB) plan required an employer to establish a trust fund to top-up the income of temporary laid-off workers. It was designed as a way to keep temporarily laid-off workers available for work.

55 Intra-Memo from J. R. Kinley, Director of Research Branch (8 October 1974). Ontario Ministry of Labour, AO, RG 7-67, Box 3. File: Review of Termination Legislation (Interview), 1974.

The shortcomings of Ontario's new pre-notification regulations were not lost on academics such as Fred Caloren at the University of Ottawa. In his exhaustive study of layoffs, shutdowns, and closures in Ontario from January 1971 to June 1972, Caloren found that employers routinely evaded provincial minimum pre-notification requirements through graduated layoffs.<sup>56</sup> For example, one company managed to lay off 1,300 workers in four locations during 1971-72 without giving a single notice because each termination affected less than ten percent of the employees.<sup>57</sup>

As business opposition to the new legislation mounted, Ministry officials secretly recommended that the government replace the province's advance notice requirements with a severance pay program. Economically, this modification of the law would be a benefit because it would have limited the substantial financial obligations incurred by employers who found themselves paying in lieu of advance notice, something Ontario employers continued to complain bitterly about. However, the political cost of rolling back employment standards regulations worried civil servants and provincial politicians alike: "Removing a benefit once bestowed may be politically difficult. Consequently, the separate schedule [for the advance notice of mass termination] may have to be kept unless an adequate sweetener were found."<sup>58</sup> In March 1975, the Ontario Federation of Labour called on the Deputy Minister of Labour to adopt a pension plan termination insurance program. In their private deliberations, the Ministry considered instituting such a program in exchange for "less popular changes to the notice of termination section of the Act."<sup>59</sup> While "tactically attractive," this plan of action proved too risky in the years following the Dunlop shutdown.

Significantly, the legislation won in the wake of the Dunlop closing left unresolved the larger issue of how foreign companies should close their Canadian plants. This question was taken up by trade unionists and their political allies in the Ontario NDP.<sup>60</sup> Despite tensions between the sometimes-

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56 Fred Caloren, "Layoffs, Shutdowns and Closures in Ontario Manufacturing, Mining and Trade Establishments, January 1971 - June 1972," (Ottawa: unpublished paper, 1974), 252. Available at the Labour Canada library, Hull, Quebec.

57 John Kinley, Director of the Research Branch to R. D. Johnston, Deputy Minister of Labour. Memo on "Mass Lay-Offs in Ontario During 1971" (3 June 1972). Ontario Ministry of Labour, AO, RG 7-12, Box 80, File: 4228.

58 Cabinet Submissions, James M. Mackay, Policy Development Co-ordinator (29 April 1975 and 12 May 1975). Ontario Ministry of Labour, AO, RG 7-67, Box 2, File 2: Review of Termination Legislation, 1975.

59 D.E. Hushion, Executive Director, Employment Services Division to J. R. Kinley, Research Branch. Re: Pension Plan Termination Insurance (26 March 1975). Ontario Ministry of Labour, AO, RG 7-67, Box 2, File 2: Review of Termination Legislation, 1975.

60 Cliff Pilkey to John Moynahan, Plant Chair, Dominion Forge. re: UAW Local 195 in papers of Hugh Peacock, University of Windsor Archives, Box 7, file 78.

dogmatic left-nationalists in the NDP and internationalist-minded trade union leaders, both groups eventually came to draw upon Robert Laxer's concept of deindustrialization.<sup>61</sup> Laxer had offered a compelling explanation of plant closures across Southern Ontario by blaming deindustrialization on Canada's dependent relationship with the United States. Thus, years before the deindustrialization thesis was taken up in the United States, Canadian trade unionist Stewart Cooke could refer to the "crime of de-industrialization" when pointing to the wave of plant closings in Ontario's industrial heartland.<sup>62</sup>

Robert Laxer's notion of deindustrialization resonated with economic nationalists as it tapped into the common belief that American multinationals operating in Canada were closing branch plants in order to protect jobs in the United States. The issue was understood quite differently in the US, where international economics was not seen as the problem at all. As journalist Robert Perry reported in his book, *GALT, USA*: "Several times in the Grand Valley I heard about layoffs in subsidiaries implemented to keep the payrolls fat in Pittsburgh and Akron, and I have no reason to disbelieve the accounts."<sup>63</sup> In this way, the convergence of economic nationalism and the anti-shutdown movement resulted in a fundamentally different understanding of the issue in Canada; every time a mill or factory closed, it signalled the negative effects of American economic domination over Canada. Even when the factory was British-owned, as in the case of Dunlop's industrial rubber products factory in Toronto, it was a foreign multinational in Canada and, by extension, part of the problem of American economic domination.

Importantly, the "new nationalism" did not go unchallenged on the political left. In early 1972, the editors of the *Canadian Forum* appealed to a select number of writers to discuss the issue by commenting on an essay submitted by George Woodcock. In it, Woodcock had suggested that economic nationalists on the one hand and left-wingers preaching local control on the other were working at cross-purposes.<sup>64</sup> To be sure, these two approaches, representing the major political movements in Canada, invoked two very different communities of identification.

In his essay on "The Perils of Patriotism," Christian Bay warned Canadians that they were being taught a "we-feeling" that exploited "negative feelings"

61 Robert Laxer, ed. (*Canada*) Ltd.

62 Stewart Cook, quoted in "No One Was Happy As Closing Debated," *Oshawa Times Gazette* (13 July 1978). To see how the deindustrialization thesis contributed to the politicization of industrial restructuring, see Rianne Mahon, *The Politics of Industrial Restructuring*, 134.

63 Robert L. Perry, *GALT, USA: The "American Presence" in a Canadian City* (Toronto: Maclean-Hunter Limited, 1971), 52.

64 *Canadian Forum* (Special Issue, April 1972) reprinted in *Nationalism or Local Control: Responses to George Woodcock*, eds. Viv Nelles and Abraham Rotstein, (Toronto: new press, 1973), vi.

towards outsiders. For him, this “make-believe” or “false” community of the nation-state diverted Canadians from “two kinds of real community”: the neighbourhood community and the international community.<sup>65</sup> Apparently, there was no basis for group solidarity in between. Canadians were told to think globally but act locally. By contrast, advocates of the new nationalism, such as historian Bruce Hodgins, wondered how local communities could hold large corporations accountable: “How can Sudbury take on INCO, or New Brunswick even a home-grown (if non-resident) K.C. Irving?”<sup>66</sup> Others simply dismissed the turn to the local as yet another imported idea from the United States.

For their part, Marxist opponents of economic nationalism took issue with the characterization of Canada as a colony of the United States. In a world divided between third world “victims” and first world “oppressors,” Canada was an imperial power, albeit one of secondary importance. Steve Moore and Debi Wells argued in the mid-1970s that the deindustrialization thesis was a myth and was thus symbolic of the “theoretical poverty of left-nationalism.”<sup>67</sup> For them, international patterns of economic dislocation proved that American workers did not gain jobs at the expense of Canadian workers. Rather, plant closings and job loss were part of a worldwide trend in capitalism that had little or nothing to do with nationality. Nationalist talk of American domination therefore distracted Canadians from the true source of disruption in their lives: international capitalism.

The admittedly simplified perception of “American bosses” versus “Canadian workers” nonetheless proved to be an empowering “myth” for organized labour. Just how powerful it could be was made clear when Columbus McKinnon, a manufacturer of chains and hoists, closed its plant in St. Catharines, Ontario, seven months after a strike had been called in late October 1977.<sup>68</sup> It chose to supply the Canadian market from the United States. For local UAW president John Washuta, the shutdown proved that foreign owner-

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65 Christian Bay, “The Perils of Patriotism,” in *Nationalism or Local Control*, eds. Nelles and Rotstein, 23-24.

66 Bruce Hodgins, “Nationalism, Decentralism and the Left,” in *Nationalism or Local Control*, eds. Nelles and Rotstein, 43. The deindustrialization thesis later came under attack from Toronto Marxists who dismissed it as a myth “symbolic of the theoretical poverty of left-nationalism.” See Steve Moore and Debi Wells, “The Myth of Canadian De-industrialization,” in *Imperialism, Nationalism and Canada*, ed. Craig Heron, (Toronto: New Hogtown Press, 1977), 46.

67 Steve Moore and Debi Wells, *Imperialism and the National Question in Canada* (Toronto, 1975), 44-52.

68 In his autobiography, Bob White recalls that the company had demanded a 25¢ per hour roll-back in wages. *Hard Bargains: My Life on the Line* (Toronto: McClelland and Stewart, 1987), 184.

ship was “detrimental to the welfare of Canadian workers.”<sup>69</sup> In response, the Canadian region of the United Auto Workers launched an aggressive boycott against Columbus McKinnon products. Drawing up a list of alternative suppliers of hoists and chains, UAW staffers canvassed virtually every company with whom they had collective agreements to press them to change suppliers. Their efforts met with surprising success. At Northern Telecom, for instance, where the UAW represented office staff, the change was made quietly without bothering upper management.<sup>70</sup> Others like the managers of the GM diesel plant, Massey Ferguson in Toronto, and Pullman Trailmobile in Brantford also agreed immediately to the request.

The “buy-Canadian aspect of our argument,” the UAW noted, compelled many businessmen to agree to the boycott even when they worked for American-owned companies themselves.<sup>71</sup> Favourable responses were elicited from many American-owned companies including American Motors, Bundy Tubing, Sheller-Globe and Long-Manufacturing. The local UAW president at Daal Specialties in Collingwood, for example, urged the plant manager “to cease dealing with such a company, that obviously regard the Canadian people as nothing more than pawns on a chess board, that can be moved and removed at will.”<sup>72</sup> Ironically, the company’s affirmative response came from corporate headquarters in Mt. Clements, Michigan.

It should not come as a surprise that some Canadian managers did not appreciate the UAW’s brazen advice. Union organizer Pat Clancy reported from Sarnia that three small companies met his request with a curt “ ‘we’ll buy from whoever we like.’ ”<sup>73</sup> In St. Catharines, the home of the closed Columbus McKinnon plant, the president of Kelsey-Hayes initially refused to “acquiesce” even though he acknowledged the “seriousness” of the situation. When Kelsey-Hayes took delivery of a Columbus McKinnon hoist, UAW plant chairman Bill Dow “laid it right on the line to him saying if the Company [was] going to use Columbus-McKinnon products that he had better be prepared for lots of shut-

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69 John Washuta, Local President, Fred Hancock, Plant Chairman to Robert White, UAW Canada Director (18 August 1978). (CNCP Telegram). Canadian Auto Workers, NAC, MG 28 I 119, Box 354, File 23: Columbus McKinnon Ltd. Memoranda and Correspondence, 1977-1979.

70 B. Rovers, International Representative to Robert White (6 December 1978). Canadian Auto Workers, NAC, MG 28 I 119, Box 354, File 23: Columbus McKinnon Ltd. Memoranda and Correspondence, 1977-1979.

71 Gord Parker, International Representative to Robert White (23 November 1978). Canadian Auto Workers, NAC, MG 28 I 119, Box 354, File 23.

72 Ed Robinson, President UAW Local 1474 (DAAL Specialties in Collingwood, Ontario) to Company Management (5 October 1978). Canadian Auto Workers, NAC, MG 28 I 119, Box 354, File 23.73 Pat Clancy, International Representative to Robert White (November 1978). Canadian Auto Workers, NAC, MG 28 I 119, Box 354, File 23.

73 Pat Clancy, International representative to Robert White (November 1978). Canadian Auto Workers, NAC, MG28 I 199, Box 354, File 23.

downs and sit-downs. In addition, Brother Dow pointed out we have approximately 40 laid off Columbus McKinnon workers in this area and if they heard we were using Columbus McKinnon products made in the United States, undoubtedly there would be an informational picket line go up....”<sup>74</sup> To avoid a confrontation, Kelsey-Hayes ordered the cancellation of all future orders with Columbus McKinnon. Although these efforts failed to compel Columbus McKinnon to reopen its St. Catharines plant, it did return the production of chains and hoists to another city in Southern Ontario in 1979, and the boycott campaign reassured workers that their union could do something meaningful in the face of a plant closure.

### “Standing-up by Sitting-down”

The legislative successes of 1970-71 and the broad public appeal of the UAW fight-back campaign at Columbus McKinnon left union leaders and economic nationalists hungry for more. In 1980, the issue of job loss once again pushed to the political forefront. The enraged mood in Ontario could be attributed to the cumulative impact of a wave of plant closings that had struck the province. As stockman George Thorne filed with other workers out of Bendix Automotives’ Windsor plant for the last time, he angrily told a reporter that the government should “throw all the Americans out of Canada,” adding that they “rape the country dry, make big profits here, then they pull out.”<sup>75</sup> It was in these tumultuous times that workers across Ontario took direct action against their American employers and returned to the famed sit-ins conducted in the formative days of industrial unionism.

The Canadian UAW was primed to escalate its resistance to plant closings when 350 delegates gathered in Port Elgin for their regular council meeting in June 1980. Instead of the usual low-key affair, emotions ran high as delegate after delegate from doomed plants rose to say their good-byes. Local 195 delegate Rick Byrne was one of those losing their jobs, as Bendix Automotive had abruptly closed his plant just prior to the council meeting. At that meeting, the “horror of what was happening was focused as never before.”<sup>76</sup> In response, Canadian UAW director Bob White told delegates that something “dramatic” needed to be done to focus public attention on the crisis facing industrial workers.<sup>77</sup> Years later White claimed that it was his decision to “fight back”:

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74 William J. Marshall, International Representative to Robert White (2 November 1978). Canadian Auto Workers. NAC, MG 28 I 119, Box 354, File 23.

75 Sheila McGovern, “Gray, Weeks seek last-ditch talks to keep Bendix here,” *Windsor Daily Star* (21 June 1980).

76 Wendy Cuthbertson, “ ‘This is Our Real Estate’: How They Fight Shutdowns in Ontario,” *Solidarity* (March 1982).

77 Julian Hayashi, “UAW eyes plant takeover to fight closures,” *London Free Press* (23 June 1980).

We needed a tactic. There was no point putting pickets in front of a deserted plant. I remembered the days when the Reuthers occupied plants so that scabs couldn't get in...The only weapon we had against plant closures was to occupy the plants so the company couldn't get its equipment out.<sup>78</sup>

He apparently made the proposal to occupy plants slated for closure on the spur-of-the-moment.

But there was nothing impulsive in how White and the Canadian UAW implemented its new strategy. It was, after all, a perilous strategy as plant occupations were illegal. The union therefore risked being sued by companies. Police could also be called in to make arrests. Nevertheless, immediately following the meeting, Rick Byrne returned to Windsor to lead a hastily organized sit-in of the now-closed Bendix plant. During the six-hour occupation, workers lowered the plant's Canadian flag to half-mast, thus sending a message of national mourning.<sup>79</sup> In his memoirs, White criticized this unauthorized action: " 'That's exactly the wrong thing to do,' I told my staff. 'We've got to think this through before we act and make ourselves vulnerable.'"<sup>80</sup> Yet in oral history interviews, Andy Morocko and Ed Lawrenson expressed their pride at having been the first ones to defy their American bosses. They both noted that their actions had forced Bendix to provide its dismissed Windsor employees with greater severance packages than it had initially offered.<sup>81</sup>

The Bendix sit-down strike was soon eclipsed by the two-week occupation of the Houdaille Bumper plant in Oshawa. Bob White and the Canadian UAW chose to make their stand at Houdaille as it was an American-owned company and the workers were older (many of them veterans of the Second World War), and thus far from "the stereotype of labour radicals."<sup>82</sup> Virtually all two hundred employees of Houdaille occupied the plant on August 8, 1980. They prepared themselves for a long siege by bringing all of the essentials of modern life into the plant: sleeping bags, food, a television set, a dart board, and dozens of decks of cards. Frank Byra notified UAW readers of *Solidarity* that the sit-down strikers at Houdaille Industries in Oshawa, Ontario, were acting on behalf of workers across Canada: "I could be home sleeping in a soft bed. But I've made up my mind to stay here because it's time we showed the plant owners

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78 Bob White, *Hard Bargains*, 224.

79 Sheila McGovern, "Bendix Powderkeg! Peace Talks Continue," *Windsor Star* (24 June 1980). It was also reported that workers gathered outside the plant's gate complained that "Canadians are always suffering at the hands of Americans."

80 Ibid.

81 Interview with Andy Morocko of Windsor, 27 February 1998. Interview with Ed Lawrenson of St. Clair Shores, 26 February 1998.

82 Bob White, *Hard Bargains*, 228.

across the country that they have to start treating their employees with respect...We’re standing up by sitting down.”<sup>83</sup> Economic nationalism lent the occupation a sense of urgency as well as an added aura of national purpose.

In the days that followed, the protesters received hundreds of supportive telegrams and a steady stream of visiting politicians and union leaders. Houdaille’s decision to close the plant was particularly galling because the Foreign Investment Review Agency (FIRA) had approved the purchase of the company by an American conglomerate in December 1979. At the time, workers feared, rightly as it turned out, that the new owner would close down production in Oshawa. So a sign displayed prominently during the occupation read “Another FIRA Giveaway” and Canadian flags billowed from every window.<sup>84</sup> As the *Financial Times* editorialized, Houdaille Bumper provided the pan-ultimate economic nationalist passion play:

The company behavior that provoked the sit-in of 200 workers at Houdaille Industries Ltd of Oshawa has been roundly condemned by all the professional nationalists and political axe-grinders of the land. That was to be expected. It provided an almost perfect text of their oft-repeated sermons.<sup>85</sup>

Television viewers across the country took pride in seeing Canadian workers mowing the lawn and trimming the hedges and leading their families through the immaculately clean plant. “It’s our plant now,” declared Bob Valliers, a thirty-seven year man.<sup>86</sup>

At its most basic level, the fight at Houdaille stemmed from miserly pension eligibility and severance pay offered by the departing American company. If left unchallenged, thirty-eight of the plant’s 200 workers under fifty-five years of age but with more than thirty years service would have been ineligible to collect a pension until age sixty-five. By the end of the two-week occupation, “the thirty-eight,” as they became known, won the right to retire early with full pension rights. In addition, the company reluctantly agreed to augment severance payments from one week’s pay for every eight years worked to \$200 or more for each year of service. Accordingly, one worker with twenty-nine years service received a lump sum payment of \$7,250 instead of the initial \$1,332 offered by the company.

Acknowledging the strike’s importance, the Canadian UAW accorded strike pay in an illegal strike for the first time in its history. Buzz Hargrove called the Houdaille occupation an historic victory for labour:

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83 Quoted in Dave Elsila, “Standing Up by Sitting Down,” *Solidarity* (5 September 1980).

84 “Kicked Out, They Kicked Back,” *Solidarity* (August 1980).

85 Editorial, “Tougher plant closing laws not answer,” *Financial Times of Canada* (25 August 1980).

86 Quoted in Dave Elsila, “Standing Up by Sitting Down,” *Solidarity* (5 September 1980).

You've not only shown that workers can go out and win a better settlement. You've served notice to every politician in this country that workers are not going to go on taking it and that they are going to have to bring legislation restricting company's rights to close plants and protecting people from the terrible effects of these closings.<sup>87</sup>

This view was shared by many Canadians outside the union. Film-maker Laura Sky called the showdown "enormously significant" as it provided a "model of militant and dignified action" for Canadian workers defying an American multinational.<sup>88</sup>

Seeking greater compensation for their job loss, workers at Beach Foundry in Ottawa also occupied their plant that summer. This spontaneous action by the members of the UAW, done without prior approval from the union, nonetheless got the leadership's approval. This trade union solidarity was sufficient to convince the company to capitulate to their demands for more generous severance packages. For Canadian workers, it seemed that economic nationalism and worker militancy paid off.

We need to ask ourselves, however, whether labour militancy was possible only among Canada's autoworkers. Charlotte Yates, for instance, has convincingly argued that the "militant strategy" adopted by the UAW in Canada stemmed from a strong sense of collective identity. Indeed, the capacity of the Canadian UAW to resist plant closings and demands for concessions rested on its ability to mobilize rank and file members through its democratically elected District council.<sup>89</sup> The American UAW, by contrast, had disbanded its district councils in 1945 as part of the push to drive-out suspected communists. American trade unionists, Yates argues, therefore had a "weak" and "conservative" collective identity in the Cold War era.

While at the forefront of resistance to plant closings, the Canadian UAW was not alone in its "militant strategy." By the mid-1970s, the Canadian Labour Congress and the Ontario Federation of Labour both abandoned their previous support for continentalism in favour of economic nationalism.<sup>90</sup> Many other

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87 *Newsletter*. Public Relations Department, Canada. Walter Reuther Library (WRL). Wayne State University, Detroit, Michigan. UAW, Research Department. Box 116, Folder 116-117.

88 Publicity UAW Proposal (Houdaille sit-down), 6 September 1980. Laura Sky to Wendy, Buzz and Doug. Canadian Auto Workers. NAC, MG 28 1119, United Auto Workers, Box 309, File 11, Films.

89 Charlotte Yates, "North American Autoworkers' Response to Restructuring," in *Bargaining for Change: Union Politics in North America*, eds. Miriam Golden and Jonas Ponusson (Ithaca: Cornell University Press, 1992), 112. Yates is supported by Sam Gindin, a former director of research for the Canadian UAW in *The Canadian Auto Workers: The Birth and Transformation of a Union* (Toronto: James Lorimer and Company, 1995).

90 Miriam Smith, "The Canadian Labour Congress: From Continentalism to Economic Nationalism," *Studies in Political Economy* 38 (Summer 1992): 35-60.

national and international unions operating in Canada followed suit, but none more so than the Canadian section of the left-wing United Electrical Workers (UE).<sup>91</sup> A reading of the *UE News* during this period reveals a union quick to wield the stick of Canadian nationalism to bludgeon American corporations operating in this country. These perceptions came sharply into focus when members of the UE occupied the Tung-Sol factory in Bramalea, in Ontario Premier Bill Davis’s own constituency. Having won a six-fold increase in severance pay, these still-defiant workers filed out of the building in the summer of 1980 singing “O Canada” and “Solidarity Forever.”<sup>92</sup> Much as the Canadian flag had done at other occupations, this choice in protest anthems vocalized the distinctive nationalism of plant closing opponents in Canada.

In the wake of these disputes, in the fall of 1980, the Ontario government announced amendments to the Employment Standards Act to encourage the portability of pensions, compel employers to participate in adjustment committees, and ensure that they continued to pay their employees benefits throughout the pre-notification period. Organized labour once again dismissed these proposals as insufficient.

To maintain the pressure on the provincial government, the Ontario Federation of Labour mounted an aggressive political action campaign entitled “Ontario Can Work,” culminating in an October 1980 rally of nearly 10,000 trade unionists at the provincial legislature. In preparation, the Niagara Peninsula’s UAW Local 199 gathered three hundred signs, a large banner, three coffins (each representing a recent plant closing), and three maple leaf flags. Notably, one of these three flags featured a “big wedge through the Maple leaf indicating Plant Closures and Unemployment.”<sup>93</sup> Here, we once again see the symbolic power of nationalism being put to use by opponents of plant closings in Canada. But nationalist sentiment at the protest took many forms:

Heading up UE’s contingent was a visual display on runaway plants that elicited an enthusiastic response...The display featured a costumed Uncle Sam with a placard reading “For Higher Profits,” and he carried a long chain that had attached to it brightly painted mock-ups of six UE plants or operations

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91 The records of the United Steelworkers of America, District 6; the International Association of Machinists and the IUE all reveal nationalist agitation against plant closings. Several union locals facing plant closings also resorted to illegal strikes to ensure adequate severance packages. For example, members of IUE Local 508 at the Prestolite (Sangamo) plant in Guelph walked out on 21 April 1971. NAC, MG 28 I264, File 49-7, Local 508, The Prestolite Company of Canada Ltd. Sarnia, Ontario. General Correspondence, 1970-1975.

92 “Demonstrate! It could be your job next,” *UE News (Canadian Edition)* 43/15 (15 September 1980): 1.

93 William J. Marshall, International Representative to Robert White (18 October 1980). Canadian Auto Workers. NAC, MG 28 I119, Box 324, File 2: Ontario Select Committee on Plant Shutdowns, 1980-82.

that have closed. There were also two TV sets which depicted the loss of Canada's home entertainment industry to the United States and other off-shore countries.<sup>94</sup>

Those in attendance cheered wildly when they heard Bob White say that the worker occupation of the Houdaille, Beach, Bendix and Tung-Sol plants showed the country that "we can do something" in the face of shutdowns.<sup>95</sup>

Forced to go further, the Ontario government formed a Select Committee of the Legislature in the fall of 1980 to investigate plant shutdowns. Committee transcripts reveal that members from all three political parties associated mill and factory closings with concerns over American control and repeatedly inquired about the ratio of foreign-owned and domestically owned plants that underwent closure. Top managers of several American-owned companies were compelled to justify their decisions to close plants in Ontario. The ensuing dialogue with corporate leaders rattled elected members regardless of political party. Time and again politicians plaintively reminded their guests who had made major disinvestment decisions that there was "a little something like a border."<sup>96</sup> Having followed these heated exchanges, the spokesperson for the Canadian Federation of Independent Business complained:

Reading the Committee testimony and discussion, one gets the distinct impression that the Committee is looking for a villain – a villain who can be forced to pay the price of his own malfeasance. Members must ask themselves, which corporation is responsible for high interest rates? Whose fault is foreign ownership? Who is responsible for the saturation of the Ontario market by imports? Whose fault is poor management of a business and how do you force the individual to pay? This business of assigning fault for layoffs and shut-downs is a fruitless exercise.<sup>97</sup>

Industry Minister Larry Grossman likewise told committee members in no uncertain terms that firms closed plants for economic reasons, "not reasons of patriotism."<sup>98</sup> But the Committee, no doubt reflecting the public's mood at the time, was not yet receptive to this line of argument. Citing the more aggres-

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94 "Tory Measures on Plant Closings termed Political Window-Dressing," *UE News (Canadian Edition)* 43/17 (27 October 1980): 1.

95 Robert White speech to OFL demonstration at Queen's Park (18 October 1980). Canadian Auto Workers. NAC, MG 28 I119, Volume 250, File 2.

96 Transcript of Committee Hearings, 9 December 1980. Select Committees, AO, RG 49-173, Box C-294.

97 Canadian Federation of Independent Business, Exhibit 75-80, page 3. Select Committees. AO, RG 49-173, Box C-295.

98 Transcripts of Select Committee on Plant Shutdowns and Employee Adjustment, Wednesday 5 November 1980, 1. Select Committees, AO, RG 49-173, Box C-294.

sive stance ostensibly taken in Europe, the Select Committee released its interim report on 12 December 1980, calling on the government to go beyond its pending legislation in order to require severance pay. It justified the measure politically by invoking the spectre of the American multinational corporation: "The decision is not only a head office decision but in branch plants one which is made with little input from Canadian management."<sup>99</sup> Despite being disbanded after an intervening election, the Select Committee impelled the Progressive Conservative government of William Davis to act on severance pay legislation, thereby making Ontario the second jurisdiction in Canada, after the Federal government, to do so.

Although the adoption of severance pay requirements softened the blow of displacement for some workers, many did not benefit from the legislation. As women tended to work in smaller plants than men, they were far less likely to benefit from the statutory regulations introduced to protect employees in plant shutdowns. This differential impact became abundantly clear when Dominion Auto Accessories closed its doors on May 20, 1983, putting forty-six Windsor autoworkers out of work. Despite its modest size, the maker of protective lighting equipment and car mirrors sparked a major political controversy. As the number of employees dismissed fell just under the fifty-person threshold set by the 1981 severance-pay law, none of the long-service employees qualified for the mandatory payments of one week's pay for every year worked. Even though the company had employed 150 workers only a few years previously, the US-controlled company managed to duck its obligations through gradual lay-offs. In fact, each employee with at least ten years service would have qualified for an average lump sum payment of \$4,700 had there had been just four additional people laid off.<sup>100</sup> Instead, since the employer was not legally obligated to offer a penny, the union managed to negotiate only a paltry \$150 for each employee.

The Dominion Auto Accessories affair was remarkable only for the publicity. A memo prepared for the Ontario Minister of Labour estimated that only one-third of terminated employees in Ontario actually received severance pay.<sup>101</sup> Small workplaces, bankrupt companies, and employees with less than ten years seniority fell outside the legislation. As it turned out, severance pay would have made an enormous difference for the employees of Dominion Auto Accessories, many of them "women in their 40s and 50s." These women it must

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99 Select Committee on Plant Shutdowns and Adjustment. *Interim Report* (December 1980), 33. Select Committees, AO, RG 49-173, Box C-294.

100 Harry N. Shardlow to File (11 February 1982), AO, RG 7-11, Box 54, File: Dominion Auto Accessories Ltd.

101 Memo, Harry N. Shardlow (4 November 1983), AO, RG 7-11, Box 54, File: Severance Pay Preparation, 1983.

be remembered had “roots, a home.”<sup>102</sup> In an extraordinary move, the joint labour-management manpower adjustment committee formed at the plant called it quits after just three meetings, deciding unanimously to use the money saved by suspending job placement efforts to purchase extended medical benefits coverage for the displaced. As committee chairperson, T. L. Wickett explained: “...[i]t was felt that in a city with 26% unemployment the money would be better spent” this way. Accordingly, the committee notified the Federal government that not one of the twenty-nine Dominion Auto Accessories employees who requested assistance had been placed in a new job.

Despite the inadequacies of the legislation, economic nationalism in Canada had begun to influence decisions made in the corporate boardroom. A 1986 United States Office of Technology Assessment study of plant shutdowns compared how three American-controlled forestry companies operating in Canada and the United States dealt with layoffs. While the un-named executives of the Canadian subsidiaries believed they had a moral obligation above-and-beyond the statutory minimum to their employees, top managers at the headquarters of the American parent companies expressed their opposition to all constraints on management’s right to terminate employees at-will.<sup>103</sup> In fact, two of the US-parent companies reportedly dismissed employees without any advance notice whatsoever. As a result, the authors of the report were struck by the fundamental philosophical differences between managers within the same multinational corporation.

Although Canadian nationalists succeeded in politicizing plant shutdowns, their success was a partial one as the labour movement and its allies by-and-large failed either to re-open plants or reverse decisions publicly announced. As one senior trade unionist observed:

The Houdaille example, where the membership was solid, the union unambiguously supportive, and the public sympathetic shows that we can protest and even win some concessions, but even here we still lost the jobs and lost pension monies [in] the absence of pension portability.<sup>104</sup>

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102 Esther Thompson, UAW Local 195 recording secretary. AO, RG 7-11, Box 54, File: Dominion Auto Accessories Ltd.. Amalgamated Local 195 represented workers in Windsor’s troubled auto parts plants. It was thus devastated by plant closures. In fact, of the 2,700 members it represented in January 1981, only 1,371 were left by December 1981.

103 United States Office of Technology Assessment. *Plant Closings: Advance Notice and Rapid Response. Special Report* (Washington, 1986), 37-38. The Conference Board of Canada, in turn, reported a “developing consensus” among Canadian corporate executives in favour of severance pay, advance notice, extended health care and out-placement. See its: *Retrenchment and Beyond: The Acid Test of Resource Management* (Ottawa: Conference Board of Canada, 1982).

104 Sam Ginden, Research Director to Shirley Carr, Executive Vice-President of the Canadian Labour Congress (13 November 1980). Canadian Auto Workers, NAC, MG 28 I119, UAW, Box 326, File 1: Plant Closures. Reference Material. Correspondence (1), 1979-80.

And sit-ins sometimes backfired. For example, Wheatley Manufacturing abruptly closed its Windsor plant in December 1981 after managers heard rumours of a potential plant occupation.<sup>105</sup>

To avoid triggering the early closure of their plants, Canadian workers adopted new forms of resistance. When American-owned Allen Industries announced plans to close its East-End Hamilton plant and relocate production to Mexico in 1984, workers turned to a “psychological game” of cat and mouse aimed at harassing management and slowing production instead of occupying the plant. As local autoworkers president David Christopherson said,

The main strategy inside the plant was to drive them absolutely crazy. Every time you didn’t have to work, you didn’t but this wasn’t an acknowledged slow down, it was an individual thing... All day long all you had was all these whistles going off all over the place. Day after day after day and they couldn’t stop it. We had the public behind us. There was just enough going on, and enough trouble, it was interfering with their ability to get their product out...We drove the supervisors crazy with these bloody whistles. It was driving our people nuts too but not in the same way because it was [our] fight. Our people felt good because through it all we all felt so hopeless...We had to do something. By engaging our people, without realizing it at the time, but in hindsight I know now, we were also giving people hope. They were fighting and at least doing something...at the end of the day we did get a settlement.

The company agreed to a six-month extension of health benefits and a twenty-five percent increase in severance pay worth \$500,000. In short, David Christopherson counted the fight against Allen Industries as yet another “huge victory” for Canadian trade unionists in so far as they won the right to get “something more than a pink slip.”<sup>106</sup>

Continued labour unrest in the early 1980s, including a successful eight-day occupation of Windsor Bumper that won a reprieve, prompted the Ontario Minister of Labour to require preferential hiring rights for all workers in the province. To make his point, the Minister of Labour argued that the “refusal of some employers to give serious consideration to such problems” had “generated a degree of acrimony and labour-management tension in specific instances which has heightened public concern on this issue.”<sup>107</sup> By 1983, the most extensive plant shutdown legislation in North America had been enacted by a government far more “progressive” than “conservative” in its approach to plant closings.

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105 “Windsor Plant Shuts Down Early,” *Windsor Star* (Thursday 10 December 1981).

106 Interview with David Christopherson of Hamilton, 6 February 1998.

107 Ontario, Ministry of Labour. *Preferential Hiring Rights in Business Relocations and Closures* (Toronto, June 1983), 1.

This string of legislative victories had relieved Ontario trade unionists of the burden of negotiating job placement, advance notice of plant closings, severance pay, and preferential hiring rights. At a time when American unions had to exchange wage and benefit concessions for these very protective measures, Canada's unions could afford to take a tough "no-concessions" stance. Many unions, including the Canadian Labour Congress as a whole at its May 1982 convention, adopted defiant resolutions. To bolster local union resolve, the Canadian Region of the UAW created a "No Concession Fund" to supplement normal strike pay for those resisting demands for wage and benefit concessions. Union records suggest that rank-and-file workers broadly supported this principled stance, even at the risk of losing their own jobs. For his part, Andy Morocko recalled: "We were the sacrificial lambs. The labour movement in Canada, the whole society, owes these guys a great debt."<sup>108</sup> When faced with the threat of a plant closure unless workers agreed to concessions, many union locals voted to take their chances on the picket line. In an optimistic moment, Bob White wrote, "We not only won the battle [at Houdaille], we won the war, too."<sup>109</sup>

The secession of the Canadian Region from the United Auto Workers in December 1984 was filmed by the National Film Board in its award-winning documentary *Final Offer*, a behind-the-scenes look at high-stakes collective bargaining between the Canadian UAW and General Motors.<sup>110</sup> Over the course of these negotiations, the camera caught the mounting war of words between Canadian Region Director Bob White and UAW International President Owen Bieber. In one famous scene, the camera recorded a telephone conversation between the two men wherein Bieber threatened to withhold the union's strike fund in a hapless attempt to undermine the Canadians' firm no-concession position. A defiant Bob White warned Bieber that: "I'll wrap the fucking Canadian flag around me...I will tell them all that. When I get through, the membership will sit..."<sup>111</sup> After years of struggle within the international union, it appeared that Canadian UAW members could no longer see much mutuality of interest with their counterparts in the United States.

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108 Interview with Andy Morocko of Windsor, 27 February 1998.

109 Bob White, *Hard Bargains*, 228.

110 *Final Offer: Bob White and the CAW Fight for Independence*. 1985. National Film Board. Sturla Gunnarsson and Robert Collison (directors). John Kramer and John Spotton (producers).

111 See Sam Gindin, "Breaking Away: The Formation of the Canadian Auto Workers," *Studies in Political Economy* 29 (Summer 1989), 64. For an American insider's perspective, see S. Friedman, "Discussion: IR developments in US and Canada," *Proceedings of the 41st Annual Meeting, Industrial Relations Research Association (IRRA, University of Wisconsin, Madison)*, 288.

## Conclusion

Where did the possibilities for identification and collective action come from? In making her case for larger communities of identification, historian Christine Stansell cited the ability of the nineteenth-century women’s rights movement to over-ride “deep structures of class and racial arrogance” by using “ideas of shared humanity.”<sup>112</sup> It was only through their ability to see likeness – and to overlook difference – that made collective action possible.

The inability of American trade unionists to respond effectively to plant closings, contributing to the precipitous decline of industrial unionism in that country, was in part due to the divisive legacy of the Vietnam War.<sup>113</sup> Organized labour’s strong support for US military intervention in Vietnam drove an ideological wedge between itself and the tens of thousands of students and professionals opposed to the war. In sharp contrast to the patriotism of mainstream American unionism, the anti-nationalism of the New Left led it to embrace localism. Thus, plant-closing opponents in the United States adopted two divergent strategies of resistance during the 1970s and early 1980s. Union appeals to “buy American” and progressive pleas to defend local “community” thus competed for public favour. Both failed miserably. Accordingly, plant closings in the United States remained a private contractual matter between employer and employee.

By contrast, the identification of the inhabitants of industrial Ontario with a national community provided the unity of interest necessary to resist plant closings. If there was any message in the string of legislative and plant victories for the anti-shutdown movement in Canada, it was the usefulness of economic nationalism for their cause. Ontario trade unionists literally wrapped themselves in the maple leaf flag in order to defy foreign-owned companies wishing to abandon workers with little or no compensation. Their efforts were not in vain, as the flag’s teflon-coating at least partially prevented economic displacement from sticking during the 1970s and early 1980s. But it proved to be a partial victory. Despite frequent appeals for a public review process, opponents of plant closings did not seriously impinge on management’s legal right to close plants. Mills and factories were closed and hundreds of thousands of Canadian workers lost their jobs. Nonetheless, foreign companies operating in Canada were keenly aware of the growing public unease. These political constraints may therefore have slowed the pace of creative destruction and job loss. At the very least, the closing of Dunlop’s Toronto plant in May 1970 established a pattern of nationalist resistance that we continue to see to this day.

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112 Christine Stansell, “Woman in Nineteenth Century America,” *Gender & History* 11/3 (November 1999): 423.

113 Steven C. High, *Emptied Spaces: The Making of North America’s Rust Belt, 1969-1984*, chapter five (forthcoming)