

CAW tries to stampede GM and Chrysler workers into making huge concessions

By Carl Bronski
16 May 2008

Canadian Auto Workers President Buzz Hargrove announced Thursday morning that the union's Chrysler and General Motors bargaining committees had reached tentative agreements with the automakers' Canadian subsidiaries.

The deals, signed fully four months before the expiration of the existing three-year contracts and more than a month before the CAW was to convene its traditional delegated conference to determine bargaining demands, follow the pattern of sweeping concessions the union secretly negotiated with Ford Canada just two weeks ago.

During the Thursday afternoon press conference convened in Toronto to announce the agreements, Hargrove let slip exactly how close the union leadership has come to the auto bosses. "I'm immensely proud of the bargaining committee and the corporations," declared Hargrove. "It's a win-win. I never thought like that before. I always thought of just winning for the membership."

In reality the deal is an historic betrayal of rank-and-file auto workers. The winners of whom Hargrove speaks are the auto bosses, to whom the union has made unprecedented concessions, and the CAW bureaucracy, which hopes to secure its interests by demonstrating to the corporations that it can be relied on to impose wage, benefit and job cuts, all the while maintaining "labor peace." As the head of the union's Ford Canada master bargaining committee, Mike Vince, said last week after the CAW rammed a similar concessions contract through over considerable rank-and-file opposition, "Putting this agreement together five months early and then ratifying sends an extremely powerful message to ... the Ford Motor Company that we understand that times have changed.... We're willing to look at things outside the box."

Hargrove announced that ratification votes will be held today for the 14,000 GM Canada workers and on Saturday for the 9,500 CAW members employed by Chrysler Canada.

In other words, workers will have next to no time to peruse the details of the contracts, let alone debate their provisions. Hargrove preposterously maintained that due to the long weekend in Canada (next Monday is the Victoria Day holiday), it was better to hold the votes as soon as possible and thereby not impinge on workers' holiday plans.

Autoworkers should ask the straightforward question, "What's the rush?" There are more than four full months

before the expiration of the current contracts. Yet union members are being asked to vote on historic concessions—concessions that represent a re-opening of the existing contracts in all but name—barely 48 hours and, in some cases, less than twenty-four hours after tentative settlements were initialled.

No one in the membership authorized the CAW to secretly approach the Big Three Detroit-based automakers for early contract negotiations last month, nor to hold such negotiations with Ford last month. No one in the membership ratified the effective scuttling of the union's traditional June collective bargaining conference. And no one in the membership has ever been consulted on the ridiculous time-frame between tentative agreements and ratification votes.

As with the Ford agreement, Hargrove's strategy is to stampede the membership into a quick ratification vote, so as to more easily play on the understandable fears of rank-and-file auto workers for their jobs and snuff out the potential for organized resistance to the union leadership's historic surrender.

Despite the press-gang methods used in the Ford contract vote, only 67 percent of the workers employed by that company voted to accept the deal, the lowest margin in the history of the union for a Big Three master or national contract. At the company's flagship assembly operations in Oakville, Ontario, almost 60 percent of production workers voted to turn down the deal—the first time a CAW local at a Big Three plant has ever rejected an agreement endorsed by the union leadership.

At his press conference, Hargrove took note of that resistance: "The Oakville vote surprised us. We're looking into what happened there. Part of it was that members were being told that we still had five months to negotiate a better deal."

Clearly, the union leadership has gone to school on that finding. Whereas Ford workers voted on Saturday and Sunday after local agreements were finalized the previous Thursday, Chrysler and especially GM workers are on an even tighter timeline. Hargrove refused to speculate on how the membership will vote only saying that unanimous support has been received from the union bureaucracy. From "workplace leaders," i.e. low level bureaucrats, gathered at Toronto's Sheraton Centre Hotel, Hargrove reported that not one objection to the deal was heard.

According to Hargrove, the new contracts fit the Ford "pattern," i.e. allow for the same massive give-backs to the other two Detroit-based automakers that were rammed

through at Ford. They freeze current workers' wages for the life of the three-year deal, cut 40 hours of vacation pay per year, tightens caps for long-term medical care, increase employee co-pays on prescription drugs, reduce pension entitlements, and freeze cost-of-living (COLA) adjustments for the remainder of the current contract and the first year of the new deal.

The pacts also lay the basis for the further development of a two-tier wage system by forcing new hires to begin work at 70 percent of the wages earned by other autoworkers and with reduced benefits. Only after three years of employment will new hires earn the wages and benefits of current workers. A \$25,000 retirement benefit for autoworkers will be discontinued.

In exchange for selling off gains won in decades of struggle, auto workers are to be given two one-time "bonus" payments totaling \$5,700 (\$US5,693).

The sellout contracts also set the stage for further layoffs with "improved restructuring benefits" clauses.

At yesterday's press conference Hargrove made much of the fact that GM and Chrysler have accepted the "Ford pattern," even though the two automakers, especially GM, had earlier indicated they would be pressing for even more draconian roll-backs.

Workers, however, should beware the fine-print. It is likely, indeed all but certain, that the local plant agreements (which are negotiated separately from, but simultaneously with the national agreements) will include significant additional giveaways on work-rules that will enable GM and Chrysler to increase the pace of production, and, by reducing job classifications, cut jobs and/or wages. Hargrove more or less admitted as much when he spoke of the local agreements containing new "productivity clauses."

Hargrove has been touting the deals at GM and Chrysler as "job saving" agreements—the line that union bureaucrats have adopted time and again over the past quarter-century when accepting massive concessions and job cuts so as to ensure corporate competitiveness and profitability.

Workers should put absolutely no credence in the undertakings of the auto bosses or the assertions of the union leadership about job guarantees.

Last Monday when GM announced the impending closure of its Windsor Transmission plant, at a cost of 1,400 jobs,

Hargrove was quick to announce that the union would not make good on an earlier threat to mount a strike to secure future work for the plant, terming the plant's closure irreversible.

The CAW's tentative pact with GM includes a "close-out" deal for the Transmission Plant replete with buyout packages.

Just prior to the beginning of negotiations, GM had similarly announced the imminent destruction of 900 jobs at Oshawa, the truck plant. The union is now saying that it has secured a temporary reprieve. The truck plant jobs will be temporarily "bridged" to September 2009 by placing the workers on rotating layoffs.

Previously, GM had withheld product announcements for the Oshawa facility initially promised in a 2006 Shelf Agreement precisely for the purpose of gaining negotiating leverage. To get that shelf agreement, the CAW had made major concessions to GM in the local contract, including allowing it to contact out some maintenance jobs.

GM has also provided a "re-commitment" (the company reneged on its initial commitment) to retool the St. Catherines' plant for six cylinder transmissions and V8 engines, although no named product was placed in that plant. Similarly, automobile production at Oshawa's Flex plant was "guaranteed" for the life of the agreement, but no new model was announced by the company to bolster the Camaro and Impala lines.

At Chrysler, although the flagship Windsor mini-van plant's security as a core facility was confirmed by the company and the status quo maintained at the severely downsized Brampton facility, the casting plant in west end Toronto, employing some 350 workers, will be closed by Chrysler in 2011 unless an auto-parts buyer can be found or a joint venture undertaken.

Workers must reject the massive package of concessions being forced down their throats at this weekend's ratification meetings. These concessions pacts underscore the urgency of auto workers adopting an entirely new strategy in opposition to the CAW leadership—a strategy based on a refusal to accept the subordination of economic life and social needs to the profit imperative of big business, and on the essential common class interests of auto workers in North America and around the world.