Canadian Auto Workers union pushes corporatist settlement at DaimlerChrysler

Keith Jones
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The Canadian Auto Workers union (CAW) scuttled a planned strike against DaimlerChrysler late Tuesday evening, announcing that it and the automaker had agreed on the "framework" of a contract settlement.

Only hours earlier, CAW President Buzz Hargrove declared that a strike of the 13,000 DaimlerChrysler Canada workers was almost certain to begin at midnight Tuesday. Hargrove is notorious for such bluster. But during the current triennial round of negotiations with the Big Three automakers, the CAW bureaucracy has taken its corporatist collaboration with the auto bosses to new levels. The union leadership fears that any job action—no matter how brief in duration—will cut across its attempt to woo investors.

In recent weeks Hargrove has repeatedly met with stock analysts and investors, arguing that the Big Three auto makers should, in the interests of their own profits, concentrate plant closures and layoffs in the US, rather than Canada.

A union brochure for investors argues that, due to the difference in the values of the Canadian and US dollars and Canada's government-funded health insurance scheme, hourly labor costs at the Big Three's Canadian operations are $US18-20 lower than in the US. The brochure also boasts that the CAW has agreed to work rule changes, such as three shifts per day and round-the-clock operations at assembly plants, that further boost productivity and profits.

Stressing the common interests of the union bureaucracy and auto industry investors, the document declares: "If Ford's desire is genuinely to cut costs and improve its financial bottom line, then the decision to close the Ontario [truck assembly] plant is very much open to question—from financial analysts and shareholders, not just employees."

The CAW-DaimlerChrysler agreement follows the wage pattern established with GM and then accepted by Ford. Workers are to receive 3 percent annual pay increases in the first two years and a 2 percent increase in the contract's final year. All along, however, the CAW insisted that the key issue was jobs.

The union bureaucracy is touting the tentative pact with DaimlerChrysler as a job-creating agreement. This is a lie. The contract, for example, abandons 1,000 workers on layoff at the Brampton car assembly plant to their fate.

During the last round of negotiations, the automaker pledged to refit a plant in Windsor that makes Dodge Ram vans to produce a new model when production of the Ram is discontinued in 2003. Subsequently, the company reneged on that pledge.

The tentative agreement announced Tuesday contains a new pledge from DaimlerChrysler that it will build a state-of-the-art flexible manufacturing plant in Windsor to begin operations in 2005. This pledge, however, is full of escape clauses, and should the plant be built, the CAW has agreed that during its first three years of operations it will have a unique wage structure that will save the company an estimated $50 million.

To help secure the investment, the CAW has promised to join with DaimlerChrysler in lobbying the federal and Ontario governments for tax concessions and outright grants to the carmaker worth a minimum of $100 million.

The investment is so conditional that DaimlerChrysler won't even publicly say whether a car or truck will be built at the proposed new plant, let alone the name of the model. One can be certain, however, the DaimlerChrysler will be bringing the agreement to the attention of United Auto Workers officials in the US and asking them to surpass the concessions granted by the CAW.

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While the CAW-DaimlerChrysler agreement will further the attempts of the automakers to pit US and Canadian workers against each other, it contains a lucrative incentive for the CAW bureaucracy. According to the *Globe and Mail*, DaimlerChrysler has agreed that the assembly plant will be linked to its suppliers in a designated industrial park, and that workers at those suppliers will be represented by the CAW. The union, for its part, has given an undertaking to ensure that wages and benefits at these supply plants will be "competitive with other firms in the area supplying such products or services."

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