# Big Three automakers prepare attack on Canadian workers

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In a series of announcements over the past several weeks, representatives of the Canadian auto industry have served notice that they are preparing a massive assault on the jobs, wages and benefits of autoworkers in Ontario and throughout the country. With the strength of the US greenback falling to sub-par levels against the Canadian dollar and in the wake of the historic concessions contracts forced on American workers by Detroit's Big Three carmakers—General Motors, Ford and Chrysler—and the United Auto Workers union (UAW), the competitive advantage previously enjoyed by auto magnates north of the border has all but evaporated.

"In the not too distant past," stated Canadian Vehicle Manufacturer's Association President Mark Nantais to the government's Finance Committee, "Canada had a competitive advantage within North America to help attract new investment. Today...Canada is the highest-cost jurisdiction globally for many auto manufacturers to operate. This reality leaves Canada at a competitive disadvantage at attracting the ongoing investments needed to remain globally competitive"

Nantais presented figures to the committee showing that hourly labour costs at GM, Ford and Chrysler plants in Canada, including pensions and healthcare expenses, are around $70. He argued that all-in labour costs for the Detroit Three in the United States, which previously had been about $75 per hour, could dip to as low as $50 per hour as the massive concessions agreed to by the UAW begin to take effect. Those concessions included the establishment of a two-tier wage system (new hires earn only $14 per hour) and the dumping of tens of billions of dollars in retiree healthcare obligations. Continued plant closures and layoffs were also announced.

There certainly is a degree of self-interested arithmetic in Nantais's figures. After all, the purpose of his submission was to seek government relief in order to offload employment insurance payroll levies to the workforce, extend a temporary accelerated write-off rate for new equipment and gain a refundable investment tax credit for new machinery. But it is indisputable that the spokespersons for the Canadian auto industry are preparing the ground to ram through their own draconian concession contracts amongst the Canadian- based Big Three workforce when contracts negotiated by the Canadian Auto Workers union (CAW) expire in September 2008.

The Canadian Vehicle Manufacturers Association is not alone in its lobbying of the federal government for continued favours. Last week, Ford Canada CEO Bill Osborne threatened that should the government eliminate the 6.1% tariff on Korean cars and grant other concessions to Korea when it finalizes a free trade pact with that country, then Ford will "have to evaluate our competitive position in any jurisdiction where we don't believe we've gotten reasonable and fair policies."

Only a day after Osborne's threats, Gerry Fedchun, president of the Automotive Parts Manufacturers' Association of Canada, issued his own dire assessment. "Our industry is facing its biggest challenge in thirty years and extraordinary measures are required to save Canada's largest export industry".

In a letter to Jim Prentice, federal industry minister and Sandra Pupatello, Ontario's economic development minister, Fedchun noted the crisis in both the auto and auto parts industries and sought a $400 million infusion of government loans into the coffers of the parts manufacturers. Fedchun also asked that policies be quickly put in place to lower the value of the Canadian dollar.

In the face of all the threats and sinister predictions emanating from the boardrooms of the auto companies, the reaction of the CAW has been entirely predictable.

CAW President Buzz Hargrove has long made common cause with the auto industry in seeking trade restrictions on Asian automakers. He also played an active role in ensuring the redirection of $500 million of taxpayers' monies into an "Ontario Auto Strategy" that saw corporations scrambling for handouts from Hargrove ally Liberal Premier Dalton McGuinty to boost shareholder value. But the coup de grace, at least so far, has been the recent corporatist deal struck with notorious anti-union auto parts boss Frank Stronach of Magna International.

That agreement, dubbed the "Framework of Fairness," saw Stronach support the organization of his facilities in Canada by the CAW, in exchange for a permanent no-strike pledge and the creation of a shop-floor regime that renounces the traditional union grievance procedure. Although the deal has evoked considerable rank-and-file opposition amongst the union membership, the autoworkers' national leadership supported the agreement in a near-unanimous vote last month in Toronto. This was followed by a 300-to-25 ratification of the framework by representatives of the CAW bureaucracy in the auto parts plants in preparation for the early December National Conference to be attended by more than 800 officials of the organization.

Interestingly, so confident is Stronach with the ability of the CAW to administer what in effect will be a company union, that it was recently revealed that Stronach initially bypassed the UAW and approached Hargrove to organize the Magna plants in the United States—an offer that the arch nationalist, Hargrove, felt politic to turn down.

The deal with Magna is only the latest betrayal of the interests of autoworkers by the CAW leadership. Despite the CAW bureaucracy's claims that it does not negotiate concession contracts, the union bureaucracy has provided a steady diet of givebacks beginning with the contract at the now-closed St. Therese, Quebec, GM assembly plant shortly after the split with the UAW in 1985. Two-tier wage schemes already exist, in everything but name, at major installations such as the giant GM complex in Oshawa. No-strike, corporatist deals have been ballyhooed by Hargrove. And plant closures and layoffs continue to cut deep swaths in the ranks of the membership without resistance from the CAW officialdom.

The upcoming July-September round of bargaining for the new 2008 contracts with the Big Three will be characterized by corporate demands for significant cuts in jobs, wages and benefits, with the CAW leadership undertaking the task of selling these "new realities" to its membership.

Autoworkers must begin preparing now for this eventuality. Rank-and-file committees must be organized to campaign against the future attack on jobs, living standards and working conditions. Preparations for an all-out strike must be begun against any attempt by the companies and the union to impose concession contracts this coming autumn. This can only be carried out as part of a rebellion by the membership against the CAW bureaucracy and its nationalist perspective.

Canadian workers should establish inks with rank-and-file workers in the US and Mexico, as well as Europe, Latin America and Asia, to launch a common struggle against the globally organized auto giants.

Above all, a new strategy is needed requiring the building of a political movement of the working class, independent of the New Democratic Party and all the other parties of big business, to fight for a socialist program that starts from the needs of working people, not the profits and stock portfolios of the CEOs and their Bay Street and Wall Street cohorts.