# Unprecedented opposition to CAW's concession-filled deal with Ford Canada

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Only 67 percent of workers organized in the Canadian Auto Workers (CAW) union and employed by Ford Canada have voted to accept a concessions contract secretly negotiated by the union leadership.

This is the lowest percentage for a contract ratification with one of the Big Three US-based automakers in the union's history. Moreover, at Ford's flagship Oakville assembly plant just west of Toronto, members of CAW Local 707 rejected the deal by a margin of 56 percent. The rejection in Oakville was also an historic milestone. Never before has a CAW local voted against a master contract that the union's leadership negotiated with one of the Big Three.

Reports from the Oakville ratification meeting described the atmosphere as "raucous." Afterward, union leaders could barely restrain their contempt for the democratic will of the membership.

Local 707 president Gary Beck remarked that workers "didn't see outside of what's going on at our plant." Beck's remarks are a crude attempt to insinuate the Local 707 members are "selfish" because they rebuffed the union bureaucracy's argument that massive concessions are needed to ensure Ford is "competitive" and thereby "protect jobs."

In reality, the unprecedented concessions to Ford, which effectively entailed opening up the existing agreement and include unprecedented wage and benefit cuts, are aimed at ensuring the interests of Ford's shareholders and the CAW bureaucracy at the expense of Ford workers and indeed the working class as whole—since the Ford agreement will be seized on by both big business and the unions to press for further concession from workers in basic industry.

CAW President Buzz Hargrove joined Beck in dismissing the "No" vote of the Local 707 membership. According to Hargrove, "it was just one of those situations where a handful of people got control of the mikes early and shifted the mood." That next to no one from outside the union officialdom spoke in favour of the agreement spiked Hargrove's ire. "Mistruths and distortions" were spread, he maintained.

In fact, Hargrove and the CAW leadership virtually press-ganged the membership into endorsing the tentative contract.

After weeks of secret negotiations, Hargrove stunned both the industry and his own members with the announcement that a deal had been negotiated with Ford fully five months before the contract deadline. Traditionally, the month of July heralds the opening of a bargaining season that normally stretches into September. Yet, with the contract not set to expire until September 15 and before the union had even held its traditional collective bargaining convention (where the members' contract priorities are ostensibly decided), Hargrove announced that an unprecedented early contract settlement had been reached with Ford.

The CAW leadership first revealed that agreement had been reached with Ford on a Master Economic Offer on Monday, April 28. Details of the various plant-wide agreements were negotiated over the next three or four days, with Ford workers compelled to vote on the total package on the May 3-4 weekend.

In the end, autoworkers in Windsor, St. Thomas, and Brampton—all in areas of high unemployment and with facilities under continued threat of downsizing or closure—tipped the balance in favour of the deal. A clause in the contract promising an extra year of life to the assembly plant in St. Thomas (which had already lost 1,200 jobs with the elimination of the second shift) resulted in a particularly high vote for the deal in that south-west Ontario town. Windsor workers, who also supported the agreement, nonetheless expressed dissatisfaction to *Windsor Star* reporters as they left the ratification meeting. "I think it's a sellout to our retirees" said Steph Brown. "For me", said veteran worker Pete Despenic, "I can live with it. If I were a younger man, I don't know. I'd probably have a different view".

In welcoming the ratification of the concessions deal, Mike Vince, the head of the Windsor Ford local (Local 200) and the chair of the CAW Ford Master Bargaining Committee, gave voice to the corporatist and nationalist perspective of the CAW bureaucracy. In so doing, he made clear that the CAW intends to even more crassly pit Ford Canada workers against their class brothers and sisters in the US in a fratricidal struggle to determine who can produce the biggest profits for the auto bosses.

Said Vince, "Putting this agreement together five months early and then ratifying sends an extremely powerful message to the federal government and to the province, but most importantly to the Ford Motor Company that we understand that times have changed. ... We're willing to look at things outside the box. By doing that, it puts us in much better stead for future investment over and above what we're doing at [the] Essex Engine [plant]."

And to underline the point that the union is in a job-bidding war, Vince added, "We're going to put ourselves in a good position in Ford Motor Company's mind."

Hargrove, as would be expected, has proclaimed the agreement with Ford "a victory" and has claimed that the unprecedented

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wage and benefit cuts are not concessions, but merely "offsets." However, in an unguarded moment, the CAW president told reporters, "I'm relieved more than anything."

In their post-ratification comments, both Hargrove and Vince indicated that the CAW leadership intends to divert the apprehension and anger of auto workers over the fate of the their jobs and wages into a reactionary campaign for even closer tripartite cooperation between the union, the government and the Big Three and for protectionist measures aimed at boosting the Big Three against the European- and Asian-owned competitors. The CAW is already a full partner of the tripartite Canadian Automotive Partnership Council.

"We've done our job by negotiating a responsible and pragmatic agreement," declared Hargrove. "We will continue to keep the heat on the federal government to address the problems that are eroding the auto industry today."

For their part, Ford executives have expressed elation with the new contract, noting that with the concessions surrendered by the union, Ford has secured long-term savings and in return for almost no new spending.

The agreement freezes Ford workers' wages for the life of the three-year deal, cuts 40 hours of vacation pay per year, tightens caps for long-term medical care, increases employee co-pays on prescription drugs, reduces pension entitlements, and freezes cost-of-living (COLA) adjustments for the remainder of the current contract and the first year of the new deal.

The contract also sets the stage for further layoffs with "improved restructuring benefits" clauses and ominously promises a "commitment to explore and establish a pre-funded, off-balance-sheet Retiree Health Benefit Fund." This is a euphemism for shifting responsibility for managing (and reducing) pension benefits from the company to the union. In return for permanently surrendering gains won in decades of struggle, workers will receive two one-time "bonus" payments totaling Can. $5,700.

The deal with Ford in many ways resembles the contracts struck by the United Auto Workers (UAW) union with the Big Three in Detroit last autumn. In that round of negotiations, the UAW completely capitulated to the demands of the automakers. It accepted a draconian two-tier wage system and massive benefit cuts and, in a watershed initiative, agreed that responsibility for managing and cutting "legacy cost" benefit programs should be shifted from the company to the union. In so doing, the UAW will quickly become one of the largest healthcare insurance providers in America, with a vested interest in squeezing its own membership.

In touting the concessions deal with Ford, Hargrove has made much of the fact that the two-tier wage structure it includes doesn't prevent new hires from *ever* attaining the wage and benefit levels of existing workers. This is a rather threadbare effort to disguise the fact that under the preposterously-named "New Hire Grow-In System" that the union has embraced, new hires will for years constitute a low-paid workforce. New Forc Canada employees will start at only 70 percent of base wages and benefits and only reach 100 percent after three years.

Workers should have no doubt that these provisions will be used in future contract negotiations as a lever to press for further reductions in wages both for veteran and newly hired workers. In the highly profitable Oakville plant, Ford will almost immediately bring in 500 new workers at the reduced rate.

Hargrove has justified his going behind the back of the membership to strike a deal with Ford by pointing to the deteriorating economic situation. But there is no question that the growing militancy of autoworkers, especially in the US, was also a key factor—and this in two respects. Hargrove wanted to demonstrate to the auto bosses that the CAW can deliver "labor peace" and even more importantly to prevent auto workers in Canada from joining forces with US workers in a common struggle against the destruction of jobs, wages and working conditions.

Last fall autoworkers employed by GM, Ford and Chrysler in the United States fought against further concessions, forcing the UAW leadership to deploy its representatives in the rebellious plants, sometimes misrepresenting investment plans for the particular facilities, and other times resorting to more forceful methods of persuasion. In the event, significant pockets of resistance forced the UAW to call its infamous half-day "Hollywood Strikes" in order to blow off the gathering steam. Contracts eventually were ratified, but with extremely tenuous margins.

Yet the rebellion amongst autoworkers in the United States has not abated. UAW members at American Axle plants in Michigan and New York are currently engaged in a bitter, 11-week battle against both the company and their own union, who are preparing to slash wages by $11 to $14 per hour and close several plants.

The popularity of the CAW's Ford Canada deal amongst auto executives is exemplified by the fact that both GM and Chrysler have now consented to sit down with the CAW in an attempt to work out agreements, well in advance of the September contract-expiry deadlines for those companies.

The CAW began negotiations with GM on Thursday. Stew Low, a spokesman for the corporation, made it clear that his company will be looking for at least the same savings that Ford has won, but because of operational differences between Ford and GM, "variances"—i.e. even greater concessions—will have to be considered. "Not everything in Ford's agreement would necessarily fit into ours," said Low.

Hargrove, meanwhile, has expressed confidence that the huge concessions granted to Ford will be adopted by their two competitors. "In my view, it would be hard for GM and Chrysler to say it's a great deal for Ford but harms them."

The concessions pact imposed on the Ford Canada workers underscores the urgency of auto workers adopting an entirely new strategy in opposition to the CAW—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.

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