

CAW officials grandstand after GM plant closure announcement

Carl Bronski
7 June 2008

Canadian Auto Workers (CAW) President Buzz Hargrove emerged from a meeting with General Motors executives in Detroit Friday morning to announce that the company has refused to reverse its decision to close the giant Oshawa, Ontario, truck plant as part of a restructuring plan of its North American operations. That plan also earmarks for closure two truck and sport utility assembly facilities in the US and one in Mexico. Hargrove and CAW Local 222 President Chris Buckley had travelled to GM's world headquarters to protest the announced shutdown of GM's truck assembly operations in Oshawa.

The closure, slated for mid-2009, will result in the loss of 2,600 autoworkers jobs in Oshawa. It will also affect hundreds of jobs at GM's engine plant in St. Catharines, Ontario, where 60 percent of the engines produced are used in the Chevy Silverado and GMC Sierra models built in Oshawa. It is further expected that the truck plant shutdown will force the layoff of hundreds of workers at the Lear Corporation seat-making factory in nearby Ajax, Ontario, and at parts makers Automodular and Martinrea International.

Standing in front of the cameras like a jilted lover, Hargrove seemed incredulous that GM CEO Richard Wagoner and his team of executive vice-presidents could be so intransigent. Only the previous evening, Hargrove had stated, "I've dealt with them for many, many years. I just find it impossible to think that they would look me in the eye and say, 'Yes, we agree but no, we're not going to [reverse the decision].'"

Asked by reporters what the union would do now, Hargrove was at pains to preclude any mention of industrial action, stating instead that the CAW's options include going to the Canadian Labor Board or seeking arbitration. As a long-time labor bureaucrat, Hargrove well knows that such appeals have absolutely no chance of keeping the Oshawa facility open.

The announcement made by Wagoner last Tuesday scheduled the four GM factories in the US, Canada, and Mexico for closure by 2010, eliminating more than 8,000 jobs. The explosion in gasoline prices, now topping US\$4 a gallon in the US and C\$1.30 per litre in Canada, has hit GM particularly hard. The company has long been dependent on highly profitable pick-up trucks and SUVs, which are among the least fuel-efficient vehicles.

With year-to-year truck sales plunging by 37 percent last month, GM is sharply reducing output of these vehicles, preparing the sale of its Hummer brand, and ramping up production of smaller cars at plants in Ohio and Michigan where GM has received tax abatements and massive concessions from United Auto Workers

(UAW) union locals. Production of a yet-unnamed hybrid truck model, previously promised for the Oshawa facility, will be shifted to plants in Mexico and the US.

The action is the latest move in the downsizing of the former automaking icon, which has cut its hourly Oshawa workforce by 4,000 since 2002 and jobs in the US by 53,000—or more than half—over the last four years alone.

On Tuesday, CAW President Buzz Hargrove feigned shock and outrage over the closing of the Oshawa plant, which occurred only weeks after his union pushed through a concessions contract that supposedly promised continued production at the Oshawa plant through the life of the new three-year agreement, while accepting the permanent shutdown of GM's Windsor Transmission plant at a cost of 1,400 jobs.

Hargrove claimed the Oshawa closure is a violation of the newly signed contract, but he did not threaten to call a strike. Instead, he launched into a Canadian nationalist tirade, saying, "This is an American company, controlled by Americans, and they are making decisions in tough times to protect American jobs," ignoring the thousands of US workers who are being thrown onto the street. He also denounced Mexican workers because GM had decided to build hybrid pickups there instead of in Canada.

This nationalist campaign, which serves to pit worker against worker in a fratricidal struggle to determine who can offer the auto bosses the "most competitive" labor costs, was stepped up Wednesday when CAW Local 222 union officials organized a "blockade" of GM's Oshawa headquarters. Waving Canadian flags and sporting maple leaf-adorned "Made in Canada Matters" T-shirts, hundreds of GM workers and supporters prevented management personnel from driving into the parking lot. Although employees were allowed to proceed on foot, GM executives nonetheless decided to activate their work-at-home contingency plans for their white-collar staff.

Local president Chris Buckley was quick to reassure management that the CAW officialdom had no intention of interrupting production at either the truck plant or the adjacent car-assembly facility. "I am encouraging my members to remain on their jobs. I want my members to continue to build the best trucks and cars in the industry," said Buckley. Clearly signaling his intentions to the company—that is, to provide a harmless avenue to blow off the steam building among autoworkers—Buckley continued, "The membership is looking for the union to take some action. That's clearly what we've done".

Buckley went on to provide the appropriate loophole for both the company and the union leadership in ultimately standing down the blockade. “We’re going to stay here,” he declared, “until General Motors reverses that decision or at the very least, until somebody in General Motors Corporation tries to justify to us why they have violated our brand new collective agreement.” Workers interviewed at the blockade Friday morning held out little hope that the stunt would bear any fruit.

For his own part, GM spokesman Stew Low shrugged off the blockade, acknowledging the company’s tacit solidarity with the union bureaucracy. Said Low, “There is a protest going on at our headquarters building and that’s, frankly, understandable because this is a very tough thing for employees to go through and for the union to go through and us as well. GM has the highest regard for the CAW and will continue to work through this issue with them.” Durham Regional Police also saw nothing untoward in the CAW’s stunt. “They’re allowed to picket,” Sgt. Paul McCurbin told the Canadian Press. “We don’t have a problem with that.”

Hargrove, Buckley, Oshawa plant chairman Keith Osborne and the rest of the CAW leadership are adamantly opposed to strike action against GM or any other measure that would hurt the company’s balance sheet. This is because they uphold the capitalist profit system, support the automaker in its struggle for market share and profits with rival car companies, and, in so far as they seek to prevent job losses, aim to do so by convincing GM management and stockholders that the CAW can guarantee them labor peace and the optimum returns.

However, the CAW leadership fears that without some modicum of grandstanding, it may lose control of angry rank and file. Only last month, the CAW bureaucracy rammed through a series of massive concessions contracts at Ford, Chrysler and GM that were reluctantly accepted by the membership but not before significant resistance was mounted, particularly at the Ford Oakville plant, which voted down the deal.

In exchange for hundreds of millions of dollars in union give-backs, the GM contract, claimed Hargrove at the time, provided guarantees that truck production would continue in Oshawa for the life of the agreement. Furthermore, some 900 second-shift truck plant workers who had been slated to lose their jobs in the near future would be “bridged” by a reduced-hours agreement until a new hybrid truck model was introduced.

Nonetheless, the language of the deal provided GM with an “out” should there be a change in market demand for the Silverado and Sierra models. Moreover, GM claims some of the product commitment provisions in the new contract do not take effect until September. Hargrove, clearly hoisted by his own petard, had overridden the union’s established bargaining procedures and opened up the contracts with the Big Three automakers five months in advance of the contract expiry dates, claiming historic concessions and “certainty” for the corporate bosses were the best way to preserve jobs.

Also exposed in the GM closure announcement has been the CAW’s close ally, the Ontario Liberal government of Premier Dalton McGuinty. In 2005, McGuinty, with Hargrove’s assistance, engineered a huge infusion of government monies to GM’s Project Beacon. The undertaking provided C\$175 million to

the corporation to develop its Oshawa operations and another C\$60 million to fund GM’s research and development projects at Ontario universities. Some of the provisions of the deal were kept secret from both the public and members of the Ontario legislature.

Sandra Papatello, Minister of Economic Development, seemed initially unaware of a provision that required GM to guarantee maintaining an average hourly workforce of at least 16,000 autoworkers over the ensuing 10 years. GM had gone under the 16,000-job threshold even before this week’s announcement. Papatello was also unclear on the terms of the 50-year interest-free loan structure under which the cash had been divvied out. It now appears that GM will be required to refund a small portion of the monies that it had earlier received.

In another move, Conservative Federal Finance Minister Jim Flaherty hinted that the government would make funds available to General Motors that would make its car assembly operation in Oshawa more profitable. Not content with allying with the Liberals, Hargrove sought and obtained a meeting with Conservative Prime Minister Stephen Harper earlier this year in which he implored him to assist the Detroit-based Big Three against their Asian rivals through tariffs, tax concessions and outright grants.

By splitting auto workers into rival national organizations, the creation of the CAW in 1985 served to strengthen the right-wing leadership of the UAW and facilitated the auto companies’ efforts not only to play one jurisdiction off against another in seeking tax dollars, but much more importantly, to whipsaw jobs and contracts back and forth across national borders. Only a strategy that rejects the capitalist profit imperative and seeks to unite workers internationally around an independent socialist program can combat the massive offensive that is being launched against autoworkers in North America and around the globe.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact