

# Canadian Auto Workers union embraces “bailout” and further concessions

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The leadership of the Canadian Auto Workers (CAW) union has welcomed last week's twin auto bailouts—that announced by the Bush administration and the "Canadian" bailout mounted by the federal and Ontario governments—signaling its readiness to impose massive job cuts and sweeping contract concessions on autoworkers.

The Canadian bailout, which was announced last Saturday by Conservative Prime Minister Stephen Harper and Ontario Premier Dalton McGuinty, is patterned after the Bush administration scheme.

The Canadian and Ontario governments are providing \$4 billion (Canadian) in aid to the Canadian subsidiaries of General Motors and Chrysler. This represents one-fifth of the aid that Washington is providing the two automakers (US \$17.4 billion), a share commensurate with Canada's share of Canada-US auto production.

As with the US bailout, the Canadian aid package is meant to provide the automakers with only enough cash to keep them afloat for a few months.

The threat of bankruptcy is being held over North American autoworkers, so as to blackmail them into accepting a drastic reorganization of the auto industry through plant closures, speed up, and wage and benefit concessions—all with the aim of once again making the industry a lucrative source of profits for investors.

Under both the US and Canadian bailouts, GM and Chrysler must demonstrate by the end of March 2009 that they have restructured their operations so as to make them "viable," i.e. profitable, including negotiating cost-cutting contracts with the UAW and CAW.

The Bush administration has further stipulated that by the end of 2009 the total wage and benefit compensation of workers at GM and Chrysler must be "competitive" with those of non-union workers at US plants operated by Nissan, Toyota and Honda. Some of these workers are

making as little as \$14 an hour and have few, if any, benefits.

Should the Detroit-based automakers fail to satisfy Washington and Ottawa that they have fulfilled these conditions by the end of March, they can demand that the aid be repaid; in other words, they can force the auto makers into bankruptcy. "The loans will only stay in place," Ontario Liberal Premier Dalton McGuinty told last Saturday's press conference, "if our governments are satisfied there are solid restructuring plans in place and underway."

That Canada's political elite fully intends to use the bailout to extort massive contract concessions from Canadian autoworkers was further underlined by Prime Minister Harper. In announcing the auto aid package, he said, "Canadian taxpayers" expect "all stakeholders, and I emphasize all stakeholders, will come to the table and work toward sustainable long-term solutions and they expect Canada will maintain our current production share of the North American market."

Harper and his Conservative government had long resisted an auto industry "bailout," because of their "free market" opposition to anything that smacks of state intervention in the economy. Ultimately, they were prevailed upon to follow Washington's lead by powerful sections of Canada's corporate elite who argued that if the Canadian government didn't come up with an aid package commensurate to that being offered south of the border, the coming downsizing of the auto industry would be structured to benefit US capital and to the detriment of the Canadian bourgeoisie.

In truth, the "bailout" is a mechanism through which big business in the US and Canada aims to fundamentally restructure class relations. Sweeping concessions are to be imposed on a major section of the industrial working class—one, moreover, that has historically been associated with militant struggles. By gutting what remains of the

rights won by previous generations of autoworkers stretching back to the sit-down strikes of the 1930s, the US and Canadian bourgeoisie intend to initiate a new offensive against the working class as a whole.

Far from being instruments through which workers can oppose this assault, the UAW and CAW bureaucracies serve as auxiliaries of the auto bosses and the big business governments in Washington and Ottawa.

One day after the UAW welcomed the Bush administration's auto bailout, the CAW thanked Harper and McGuinty for coming to the support of the industry!

CAW President Ken Lewenza signaled the union's readiness to accept massive job cuts, declaring that "painful decisions" will have to be made and hailing the Canadian aid package's premise that companies "have to maintain their current production share here in Canada on a proportionate level to the rest of North America." In other words, the union will not fight plant closures and layoffs, but rather for the enforcement of the "principle" that for every five jobs cut in the US one should be slashed in Canada.

Lewenza also reiterated that the CAW is ready to make further, massive contract concessions. Declared Lewenza, "I certainly got the message from Mr. Harper and Mr. McGuinty that all stakeholders must play a significant role in terms of turning companies around."

When public discussion of an auto bailout first began, Lewenza touted the massive contract concessions the CAW had made to the Detroit Three in early contract negotiations last spring and said his union would be willing to accept further changes in work rules.

At the time, the *World Socialist Web Site* urged autoworkers to place utterly no credence in Lewenza's claims that the CAW would resist additional wage and benefit concessions.

Using the UAW's surrender to provide him with some desperately needed political cover, Lewenza and the CAW leadership are now mounting a public relations campaign to "soften up" the membership for wage and benefit cuts.

Speaking on a Windsor, Ontario radio show last Friday, Lewenza declared, "The reality is there is going to be labor concessions. The question is, how deep and how far."

In a weekend interview with the *Globe and Mail*, Lewenza suggested the CAW's hand is being forced on the issue of wage and benefit concessions. "What the [UAW] would do, [will] for example, have an impact on us, what they do in Japan ... would have an impact on us."

The *Globe*, the traditional mouthpiece of Canada's Bay Street financial elite, was quick to commend the CAW president. In an editorial Tuesday, it said, "The new found openness of Ken Lewenza ... toward following the United Auto Workers ... accommodating path ... is a considerable step forward in the rescue of the Canadian auto industry."

Since its founding in 1985, the CAW leadership has used the UAW as a foil, pointing to the concessions made by the UAW leadership to justify its own program of giveaways and ever-increasing corporatist integration with management.

Today autoworkers in Canada and the US face not only an unprecedented state-employer assault on their jobs and living standards. They are laden with rival bureaucratic organizations that pursue an identical pro-company course of imposing concessions and suppressing worker opposition, and systemically preventing any joint struggle of North American autoworkers against job and wage cuts.

As the Socialist Equality Party (Canada) outlined in a statement published last week, "Workers must reject the entire framework of the so-called 'bailout' proposed by the big business parties in the US and Canada and by the unions." To defend their jobs and living standards, autoworkers in Canada and the US should, independently of the UAW and CAW, jointly organize militant industrial action against all layoffs and concessions and spearhead the fight for workers' government that would nationalize the auto industry under the democratic control of the working class.

To read the entire statement please see: *No concessions! No job cuts!* Canadian auto workers must join with US and Mexican workers to advance a socialist alternative



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