

Canadian Auto Workers union dismantles blockade at parts plant

Carl Bronski
17 January 2009

A blockade set up by members of Canadian Auto Workers (CAW) Local 1285 to prevent General Motors from removing its tooling equipment from SKD Automotive, a parts supplier in Brampton, Ontario, was dismantled late Tuesday night.

The stand down came after an Ontario Superior Court judge granted an injunction against the union's action earlier in the day. At the hearing, the union offered no objections to the court's decision. "We couldn't win this legally," said Paulo Ribeiro, a full time CAW official.

The blockade began December 23rd when GM sent trucks to the parts plant to remove equipment it had installed there to make stamped metal components for its Hummer SUV and passenger cars assembled in Fairfax, Kansas. The attempt by GM to remove the equipment came during the Christmas shutdown period after GM dissolved its contracts with SKD on the grounds that the parts company had acknowledged its insolvency and had effectively ceased operations.

SKD, founded in Windsor, Ontario in 1937, also has facilities elsewhere in the Toronto area, in Michigan, and in Mexico. The company is expected to file for temporary bankruptcy protection within the week.

One hundred and forty workers are employed at the Brampton plant. Another ninety are already on layoff. The workers fear not only the prospect of imminent unemployment but also that an SKD bankruptcy would designate them as "unsecured creditors," thereby threatening their severance pay. The plant has a large number of veteran workers, some of them with as much as thirty years of seniority. The union calculates that GM should be held responsible for \$160,000 which represents ten percent of any severance load— because it habitually contracted ten percent of the work at SKD.

The SKD facility also manufactures parts for Honda, Ford and Chrysler. Those three automakers have reached an accommodation with SKD to keep their parts operations running whilst new financing arrangements are organized in a large scale restructuring of the business. Chrysler depends on the supplier for its Brampton assembly operation which is scheduled to reopen on January 17th after an extended Christmas shutdown due to plummeting auto sales.

Honda, which operates a sprawling assembly plant in Alliston, Ontario, was forced to delay its scheduled January 9th re-opening because of SKD's financial dilemma. Both firms, as well as Ford, were anxious to at least temporarily stabilize their troubled parts supplier in order to keep their own operations on schedule. The three companies are temporarily paying the wages of the SKD workers.

GM, however, will move its parts production to other, more secure suppliers in the United States. The Fairfax, Kansas plant is scheduled to reopen on January 20th but production there will be significantly scaled back due to the auto giant's own ongoing crisis and bankruptcy threat.

Parts makers across North America are slashing production, with many plummeting toward bankruptcy. On Wednesday, Craaytech Painted Plastics of Peterborough, collapsed, throwing 143 people out of work. The

same day, Westcast Industries, one of Canada's largest suppliers of exhaust manifolds, announced the imminent closure of its plant in Wingham, eliminating 140 jobs in that small southwest Ontario town.

Many more companies are expected to go under soon. In a December 2008 report, the leading credit and bond rating agency Standard and Poor's lamented that even if "the worst-case scenario of an abrupt bankruptcy by GM or Chrysler is avoided, weaker suppliers still face major liquidity challenges for the foreseeable future." Don Walker, co-chief of the giant auto parts company Magna International, agrees. He told a Detroit conference Wednesday that "we're going to see a rash of failures in the supplier industry and I think it's going to come in the next month or so." Ever the sharp businessman, he added that Magna viewed the crisis as an opportunity to pick up more contracts.

Workers have found themselves forced into bitter struggles as a result of the auto and auto parts industry collapse. To take just one recent example, last summer, Progressive Moulded Products declared bankruptcy and closed all eleven of its non-union plants in the Greater Toronto Area. Over 2,000 mainly immigrant workers lost their jobs and were denied severance pay by the company. Outraged workers immediately organized a blockade to prevent equipment from being moved from some of the larger facilities. They defied two court injunctions that ruled their actions illegal, but eventually were forced by police to dismantle their blockades.

During that standoff, CAW officials, who did not officially represent the workers at Progressive Moulded Products, nonetheless intervened to facilitate an orderly shutdown that would allow Ford, GM and Chrysler to remove millions of dollars of equipment and materials from the Toronto area plants. Said parts worker Thai Ngo at the time, "The law is not on our side. It's on the side of the people with the money."

But if workers more and more see the class nature of the society in which we live, the way forward is not yet apparent to them. The revival of the workers' movement requires a radical change in the practice, politics and philosophy of the working class, beginning with a repudiation of the unions' pro-capitalist perspective.

The CAW and other unions serve today not as instruments for workers to resist, even on a limited basis, the attacks of big business, but as a mean for the corporations to smother working class resistance. They work hand-in-glove with big business to enforce orderly closures and concessions, while promoting the most virulent forms of nationalism within the working class that pit worker against worker. Workers are exhorted to "save" their jobs by ensuring that their plants are more competitive, i.e. provide more profits to shareholders, than plants of other firms or in other countries. And the unions work to tie the working class to the so-called "progressive" parties of big business whether it be the New Democratic Party or in the case of the CAW, the Liberal Party of Dalton McGuinty in Ontario and its federal counterpart.

Autoworkers have made their own bitter experience with the corporatist and nationalist outlook of the CAW bureaucracy, witnessing a whole spate of uncontested plant closures from St. Therese, Quebec two decades ago

to imminent plant shutterings in Oshawa and Windsor. Only last spring, the union secretly opened up contract renewal negotiations with the Detroit Three auto companies in order to ram through a pattern contract that contained massive concessions on wages, benefits and working conditions. That deal, following on from two-tier wage concessions already made by the United Auto Workers (UAW) union south of the border, further reduced the wages of newly-hired workers, speeded up work details, increased co-pays on health benefits and relinquished paid holidays.

To be sure, CAW president Ken Lewenza is quite proud of these "accomplishments." In a recent letter to the *Globe and Mail*, Lewenza, in an attempt to buttress his credentials with the newspaper's pro-business readership, boasted that "just two months ago our new three-year contract came into effect: freezing wages, suspending cost of living protection, and introducing savings totaling \$300 million per year (or over \$10,000 per worker per year) for Canadian automakers once fully implemented."

The US auto bailout and the parallel Canadian bailout—the Ontario and federal governments have offered to provide GM with a \$3 billion loan and Chrysler with a \$1 billion advance—are being used, with the unions' complicity, to further destroy autoworkers' living standards.

The CAW bureaucracy will argue that the give-backs agreed to by the UAW in the American auto bailout package oblige the CAW to make all manner of new concessions to remain competitive. Such is the bitter fruit of the nationalist orientation of the union bureaucracies on both sides of the 49th parallel.

Under the US bailout package, wages and benefits in the plants of the Detroit Three in the United States must be reduced to those being paid at the non-union Japanese transplant operations. This will mean the slashing of wages by up to fifty percent and the gutting of what remains of health and pension benefits for workers and retirees. And in an ominous provision, the bailout package requires the UAW to give up the right-to-strike, with the explicit threat that the government will recall its loans to the automakers if workers resort to strike action to resist the ever widening assault on their jobs and wages.

Lewenza, despite the occasional bluster aimed at attempting to disarm the opposition brewing within his own rank-and-file, has all but accepted the government demands for another round of sweeping concessions and is now merely quibbling over the details. Under the parallel "Canadian auto industry bailout," workers at GM's and Chrysler's Canadian plants will reportedly have to accept contracts emulating those at the non-union assembly facilities in the southern United States so as to satisfy government authorities that the industry is "viable." It has been estimated that, assuming a Canadian dollar at par with the greenback, Canadian hourly labour costs will have to fall by another \$18 to match those being offered at Toyota's Kentucky operation.

Lewenza has already accepted these demands and only wishes to seek more clarity. Will the new government-enforced wage standards reflect average costs at the Japanese transplants or the costs at a particular plant? "What's the benchmark", complained Lewenza. "That's the problem that we have."

Rick Laporte, a close Lewenza *confidante* and the successor to him as president of Windsor's giant CAW Local 444, has also gone public on the need to match the "new" American pattern. "At the end of the day," said Laporte, "we understand very well that we have to remain competitive for the industry to remain viable in this country. When we see what the UAW does, we will need to find a way to match that."

Lewenza's current musings on the unacceptability of any no-strike provisions that may be attached to the Canadian bailout package must similarly be taken with a large grain of salt. The CAW bureaucracy, infamously, has already concocted no-strike contracts with the notoriously anti-union auto parts conglomerate, Magna International. And, of course, auto workers will remember Lewenza's numerous line-in-the-sand

speeches opposing any new concessions in bailout negotiations.

The more sophisticated representatives of the ruling elite are quite aware that union leaders must from time to time make tub-thumping statements to throw sand into the eyes of their memberships. Thus, Sandra Pupatello, the Ontario government's minister of international trade and investment, remarked on Lewenza's initial "no concessions" bluster: "I think we recognize that a lot of us have different constituents, and sometimes where we begin in our discussion may not be necessarily where we end."

The crisis in the auto industry is an expression of the collapse of the entire profit system. It is not possible to reverse this catastrophe—and the devastating social consequences it entails—outside of a fundamental restructuring of the Canadian and world economy on socialist principles of social ownership and democratic control of the major levers of economic life, including basic industry and the banks.

The working class is not responsible for this crisis. Autoworkers have absolutely no say in the financial, investment and production decisions of the firms for which they work. On the contrary, the root cause of the crisis is private ownership of the auto industry and the means of production as a whole, the subordination of social needs to private profit, and the economic dictatorship exercised by the corporate and financial elite. Their incompetence, greed and single-minded drive to increase the "shareholder value" of the big investors and banks have played a major role in driving the auto industry and the entire economy into the ground. Now they turn on the workers, blame them for the crisis and demand that they pay the cost through the destruction of their jobs, wages, pensions, and health benefits.

For working people to advance a solution to the economic crisis that defends their own interests they must reject all the big business parties including the NDP and build a new mass, independent political party of the working class.

Such a party would fight for the unity of workers in every country on the basis of a socialist program, including the nationalization of the auto industry under the democratic control of working people and the reorganization of the entire economy on the basis of production for human need, not private profit.

See Also: *No concessions! No job cuts!* Canadian auto workers must join with US and Mexican workers to advance a socialist alternative



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact