

Canada: CAW vows to match UAW concessions to automakers

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25 February 2009

General Motors and Chrysler provided Canadian and Ontario government officials with their restructuring plans for their Canadian operations last Friday, outlining their respective strategies for returning to profitability through an unprecedented assault on auto workers' jobs, wages, pensions, and working conditions.

Following in the footsteps of the US government under George W. Bush and now Barack Obama, Canada's Conservative government is making any aid to the automakers conditional on the companies reducing their labor costs to those of the non-union Asian trans-plants operating in the American South. This employer-state attack is aimed at returning a section of the working class—historically associated with militant union struggles—back to conditions not seen since the 1930s and, thereby, to permanently restructure class relations.

Just as they did earlier last week, when they provided Washington with their "viability" plans, GM and Chrysler argued that in the face of the ever-widening economic crisis they need much larger state support.

In December the automakers had requested \$4 billion (Canadian) in bridging loans from the federal Conservative government and the Ontario Liberal government. Now they are seeking a bailout in the order of \$10 billion.

Neither company mentioned a specific dollar figure in last Friday's reports. Rather they are asking for a set proportion of the monies extended them by Washington. Thusly, GM which has 17 to 20 percent of its joint US-Canadian productive capacity north of the border is seeking that same ratio in bailout funding. Since GM has requested \$30 billion (US) from the American Treasury Department, a proportionate amount for their Canadian operations would be about \$7.3 billion (Cdn.). Chrysler is claiming 25 percent of their \$9 billion Washington request or \$2.7 billion (Cdn.).

Ford Motor Company, which accessed billions of dollars in private credit prior to last autumn's financial meltdown in the banking system, has maintained that it does not need public funds at this time to implement its own massive restructuring effort. But it is insisting that any contract concessions made to GM and Chrysler be extended to it as well, and both the UAW and the Canadian Auto Workers union (CAW) agree.

After clamouring for emergency cash infusions last December, GM Canada decided not to claim its initial \$3 billion offering from

the federal and Ontario governments, opting instead to roll all of its demands into the new expanded bailout request.

GM which employed 20,000 Canadian workers as late as 2005—stated in its aid request that it expects its Canadian workforce to total only 7,000 by 2010. The company was once Canada's largest industrial enterprise.

Although no new plant closures were announced in GM's Friday submission, 5,500 autoworkers will be shed from company payrolls over the next 16 months as the company follows through on the previously announced shuttering of its giant Truck assembly facility in Oshawa this spring and of its Windsor Transmission plant in Windsor next year.

Thousands more jobs will be lost as GM eliminates about 250 dealer outlets across Canada and parts suppliers and other ancillary services slash their workforces in line with the shrinking of GM's North American operations.

Although no specific plants or lines were named for closure in Chrysler's submission, the company has earmarked a "manufacturing shift" for mothballs on top of 3,000 other redundancies and stated that layoffs will be "integrated" across its Canadian and American operations.

This "manufacturing shift" is widely expected to come from Chrysler's Windsor minivan plant. If indeed the case, 1,200 more workers would be thrown onto Windsor's burgeoning unemployment lines. Over the past several months, sales of the minivan have fallen sharply. The plant is the last of Chrysler's three-shift operations in North America, but those three shifts are already rotating on a streamlined, two shift "smoothing" system that sees one third of the workforce off work on any given week.

A small Chrysler casting plant that employs 330 workers in west Toronto has already been slated for closure in 2011 unless a buyer is found.

Unlike GM, Chrysler simply re-submitted the plan tabled in Washington earlier in the week along with a four-page covering-letter from CEO Reid Bigland to federal and Ontario government ministers. Chrysler's relations with Canadian officials have soured over a tax dispute that involves over \$1 billion dollars in funds that the Canadian Revenue Agency (CRA) claims the company owes due to longstanding dubious transfer pricing schemes. Last September, the CRA placed a \$500 million lien against Chrysler's Brampton assembly plant.

Due to Chrysler's failure to produce a specific report on Canadian restructuring plans, a \$1 billion bridge-loan cheque due

it under the original December bailout package may be delayed. A spokesman for Ontario Economic Development Minister Michael Bryant stated, "The minister is withholding judgment for now, pending further talks with the company."

If Chrysler has chosen not to provide greater details, it may be because it wants GM to carry the ball at this stage of the proceedings. The proposals GM submitted to Washington stipulated even deeper cuts than those outlined by Chrysler in its submission.

The two auto companies now have until March 31 to work with the UAW and CAW bureaucracies to extract massive contract concessions from autoworkers.

The delay in the actual announcements of specific plant closings, combined with the six-week time window to conclude matters with the unions, is designed to ensure that there is enough time for the companies to play both in-plant as well as national workforces off one against the other. The economic nationalist programs of the labour unions in Canada, the US and internationally dovetails with the auto bosses' predatory aims.

In a press conference convened Friday night, Canadian Auto Workers president Ken Lewenza announced that the union "will be part of any solution," i.e. is committed to ensuring the survival of the auto companies by making them attractive to capitalist investors. He bragged that the CAW already surrendered \$900 million in labour savings to the Detroit Three in concessions contracts negotiated last year. Speaking like a member of the board of one of the auto companies, Lewenza argued that whatever the concessions negotiated by the UAW, the CAW will provide the automakers a competitive advantage in Canada. This will match and top any labour cost savings offered up by the UAW in the form of wage and benefit cuts and speed-up

Workers must take heed. Over the past three weeks, the United Auto Workers union in the United States has reached a tentative agreement to modify its 2007 labor agreements covering 133,000 workers at GM, Chrysler, and Ford. According to press leaks, the agreement includes a pay freeze until September 2011—eliminating cost-of-living increases and lump sum bonuses in 2009 and 2010 up to \$3,295—as well as reductions in the number of higher-paid skilled trades positions and overtime payments.

The UAW also accepted the elimination of the Jobs Bank, a 25-year-old program that provided income security to laid-off workers, as well as a reduction in supplemental unemployment benefits, a benefit first won by the UAW in 1955 which gives laid-off workers the equivalent of most of their take-home pay. The union is also collaborating with the companies to push out higher-paid veteran workers through buyouts and early retirement.

Under the terms of the 2007 agreement, the companies can hire new workers at \$14 an hour instead of the current \$28 an hour. The auto bosses praised the UAW for all but closing the labor cost gap with non-union workers at US plants operated by Toyota, Nissan and Honda.

The equalization of low-wage pay is mandated by the government loan package. Like every other concession made by the UAW, the new cuts will do nothing to protect jobs. Since the givebacks began with the 1980 Chrysler bailout more than 700,000 UAW workers have lost their jobs.

Industry expectations are that Lewenza will match the UAW's surrender of the Jobs Bank by agreeing to eliminate Supplementary Unemployment Benefits (SUB), which temporarily tops up laid-off workers' Employment Insurance benefits. Bonus and lump-sum payments negotiated in the 2008 concessions under these contracts are also under threat as is what remains of cost-of-living protection.

The union will be asked to further step up its drive to increase worker productivity both through speed-up and pro-company interpretation of grievance disputes. Outright pay freezes are also on the table.

The companies also are seeking to reduce their "legacy costs," that is their pension and retiree health benefit responsibilities. Language in the CAW's 2008 contract with GM already opened up this possibility. Lewenza recently received the backing of his Executive Committee members and in-plant officials to "discuss alternative funding mechanisms" that will include off-loading company pension and health benefit responsibilities to workers, pensioners, and the government.

Autoworkers in Canada should oppose the CAW leadership's plans to surrender rights won in decades of struggle. They should join with autoworkers in the US and around the world in opposing all layoffs, plant closures and concessions.

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 "shareholder value" 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.

The precondition for solving the crisis in the auto industry—on a progressive basis and defending the interests of autoworkers—is a fight for the nationalization of the industry under workers' control and its transformation into a publicly owned utility. Auto manufacturing in North America should then be incorporated into a global auto industry based on a socialist program of rational planning and democratic control.



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