

# Canada's political elite spearheads attack on GM workers

Keith Jones  
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Canada's federal Conservative government and the Ontario Liberal government are spearheading the drive to gut what remains of the rights and benefits won by generations of auto workers through militant struggle.

The two governments have threatened to deprive GM Canada of any further financial support, which would push the car maker into bankruptcy, if GM workers do not bow to their blackmail by the end of the month and accept sweeping contract concessions.

The concessions demanded by Canada's two largest governments and two principal political parties go far beyond those that GM workers made in early March. They even significantly exceed the C\$19 per worker, per hour in concessions that the two governments, Chrysler investors and bondholders, and Fiat extorted from Chrysler workers in late April with the complicity of the Canadian Auto Workers (CAW). (For more on the Chrysler pact see: Canadian Auto Workers union imposes draconian concessions on Chrysler workers )

At the order of the Canadian and Ontario governments, GM and the CAW began concession negotiations two weeks ago, for the third time in a year. In spring 2008, the CAW went behind the backs of auto workers and in unprecedented early contact talks made massive givebacks to the Detroit Three automakers, including a three-year freeze in wages, pensions, and cost-of-living allowance (COLA), cuts in benefits, and the elimination of a week's paid vacation per year. Then in March, the CAW reopened that contract to grant GM still further concessions, only to repeat the exercise now, two months later.

The CAW leadership claims concessions are the only means to "save" jobs, but in the meantime GM has pressed forward with a program of layoffs and plant closures that has wiped out thousands of jobs. Under

the 2008 "early" contract settlement, the CAW accepted the closure of the Windsor Transmission plant, and within days of the contract being ratified, GM announced the permanent shutdown of its Oshawa truck plant. The Oshawa plant was shuttered last week. As a result, GM's Canadian workforce will soon shrink to 7,000, from more than 10,000 last year and 20,000 as recently as 2005.

After the latest concession deal with Chrysler, CAW President Ken Lewenza announced that in the interests of "fairness" and "competitiveness," the CAW would offer GM and Ford commensurate labor cost reductions.

But at the urging of the Canadian and Ontario governments, GM has been pressing for larger concessions, including draconian cuts to pensions and retirees' health benefits and new worker-payments into the company pension plan. At a May 6 meeting, the two governments said GM's labor costs must be reduced to the same level as those at the non-union plants of Toyota Canada.

To increase the pressure on GM workers, the two governments have threatened to push the company into liquidation. Moreover, the Ontario government has repeatedly proclaimed that it will not honor a provincial pension guarantee that is supposed to make good pension losses of up to C\$1,000 per retiree per month.

It is estimated that GM Canada has an unfunded pension liability of C\$4 billion or more, and the federal and Ontario governments are determined to make current GM workers and pensioners foot the bill for this shortfall.

"The provincial and federal governments are scrutinizing everything we're doing," Lewenza told reporters this Monday. "And [they have] indicated very clearly that they expect more sacrifices made in the

area of pensions and benefits...over and beyond what we did with Chrysler.”

What Lewenza didn't say is that the CAW has long enjoyed close relations with the big business Liberals and actively promoted the election of the Ontario Liberals in 2003 and their re-election in 2007.

In a leaflet distributed to GM workers this week, the CAW-GM Master Bargaining Committee said that the federal and Ontario governments “continue to interfere...making new demands all the time.... [T]heir repeated threats to pull the plug entirely on GM Canada have made this process all the more difficult.”

In its statement, the CAW leadership touted its efforts to boost the profitability of GM: “We are bargaining hard to reduce labour costs to the benchmark specified by the government, and we are almost there.”

Yet it also vowed that it would resist outright pension cuts (as opposed to cuts in health coverage and other retiree benefits), for “if we accepted cuts in pension benefits today...every other pension plan in Canada will be in jeopardy, too.”

Auto workers should place absolutely no credence in the CAW's vows. Time and again, the CAW officialdom has sought to politically disarm auto workers with bluster and bombast about its determination to resist concessions, only to force through wage and job cuts with the argument that they are required to secure product-placements or to match givebacks made by the UAW.

This is underscored by the Master Bargaining Committee statement itself. It accepts entirely the government-big business framework for “saving” the auto industry: it must be made “viable”—that is, once again a lucrative source of profits for capitalist investors—through concessions and job cuts.

The Master Bargaining Committee statement drips with the foul nationalism promoted by the CAW and UAW bureaucracies alike and that has enabled the auto makers to pit auto workers in Canada and the US against each other in a fratricidal struggle over who can offer the Detroit Three the biggest profits.

Throughout the current auto “bailout” negotiations, the CAW has treated US workers, not the automakers and their supporters in the big business political establishment, as the “enemy,” proclaiming that the pivot of its strategy is maintaining the automakers’ “Canadian competitive advantage”—that is, the greater

profitability of the Detroit Three's Canadian operations over their US ones.

“Our productivity is superior to the U.S.” declares the Master Bargaining Committee. “And our labour costs are lower. It makes no sense to impose a ‘one-size-fits-all’ formula on us, that ignores Canada's advantage.”

The pro-capitalist CAW has led auto workers into a blind alley. The “choice” of concessions and further job cuts or the liquidation of the company by the bankruptcy courts is no choice at all.

To defend their jobs, wages and pensions, auto workers need an entirely new strategy—a strategy based on the refusal to accept the subordination of the needs of working people to the profits of big business and on the common interests of workers in North America and around the world.

Auto workers should organize themselves independently of the CAW, so as to spearhead a strike movement of all workers in the auto and auto parts sector across Canada and in the US. A decisive end must be put to the attempts of the Detroit Three and the unions to pit worker against worker by waging a struggle in defence of *all* workers' jobs and in opposition to all concessions.

This militant industrial action must be accompanied by a new political strategy and perspective. The crisis in the auto industry is part and parcel of the failure of capitalism in North America and around the world.

The working class must constitute itself as an independent political force to bring to power workers' governments in Ottawa and Washington that would nationalize the auto companies, other basic industry and the banks without compensation. They could then be placed under the democratic control of working people so that production and employment could be organized in the interests of all, rather than the profits of a few.



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