Canadian Auto Workers offers concessions to Ford

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Negotiations between the Canadian Auto Workers (CAW) and Ford Motor Company of Canada are set to re-start at the end of September after initial talks between the CAW bargaining committee and Ford management broke down September 11. The company has demanded that the CAW re-open its 2008 contract in order to impose concessions on Ford workers comparable to those negotiated with Chrysler and General Motors earlier this year.

In those deals, the CAW officialdom bargained away $19 or more per hour in bonuses, benefits, pension funding obligations, and retiree's health care provisions and agreed to freeze wages and cost-of-living allowances until 2012. The 2009 contracts came on the heels of the concessionary agreements the CAW reached with the Detroit Three auto companies in early contract negotiations in spring 2008.

The almost $1 billion in concessions surrendered by the CAW in the 2008 contracts included a wage freeze, the elimination of 40 hours of paid vacation per year, the tightening of caps for long-term medical care, increased employee co-pays on prescription drugs and reduced pension entitlements.

At the time, Mike Vince, head of Windsor Ford Local 200 and the chair of the CAW Ford Master Bargaining Committee said, "Putting this agreement together five months early and then ratifying sends an extremely powerful message to the federal government and to the province, but most importantly to the Ford Motor Company that we understand that times have changed. ...We're willing to look at things outside the box. By doing that, it puts us in much better stead for future investment over and above what we're doing at [the] Essex Engine [plant]. We're going to put ourselves in a good position in Ford Motor Company's mind."

Insisting on quickly concluding the new round of concessions talks, Ford spokesperson Kerri Stoakley stated, "In order to maintain our automotive manufacturing presence in Canada we need to take action to improve our competitiveness and we can't wait until 2011 (the expiration date of the current contract) when it could be too late to close that gap. ...The average hours per vehicle for Ford CAW facilities is about 26.57 versus 23.08 for Ford [US United Auto Workers] facilities, so it's about a 15 percent productivity disadvantage."

In the current negotiations, Vince picked up where he left off last year. "We do recognize that we must stay competitive with our (U.S.) counterparts and with the Canadian GM and Chrysler counterparts. We do recognize that many families are counting on us to make the right decision."

Of course, "the right decision" for Vince and his boss, CAW President Ken Lewenza, has always been to guarantee the profits of the auto magnates through the acceptance of concessions and speed-up. Like their US counter-parts in the UAW apparatus these concessions have gone hand in hand with the promulgation of a nationalist, corporatist perspective that pits auto worker against auto worker in a fratricidal struggle for jobs, each against all. This bankrupt perspective has resulted in one concessionary agreement after another and massive job losses on both sides of the border.

In the case of Ford Canada, over 4,000 jobs have been eliminated in the past decade, reducing the company's "production footprint" in Canada to just 7,000 hourly jobs.

Lewenza, Vince and the rest of the CAW bureaucracy are clearly worried that they may have difficulties selling the concessions demanded by Ford to their membership. In ramming the 2009 package of concessions down the throats of Chrysler and GM workers in Canada, Lewenza was fond of using a "gun to the head" analogy. Given the biggest economic crisis since the Great Depression, Lewenza insisted, workers had no choice but to accept the dictates of the auto bosses and of the federal Conservative and Ontario Liberal governments. (Both the federal and provincial bailout pledges were contingent on the membership accepting massive concessions.) Moreover, pitched Lewenza, corporate figures like Chrysler Canada CEO Tom Lasorda (son of longtime Windsor CAW leader Frank Lasorda) were threatening the wholesale pullout of auto assembly from Canada unless the CAW surrendered unconditionally.

But Lewenza must be more circumspect in his current dealings, because of rank-and-file discontent and because he can't threaten workers with the prospect of an imminent Ford bankruptcy.

The only one of the Detroit Three to decline government bailout money, Ford is demanding massive contract concessions even as it boasts that it made a $2.3 billion profit in its second quarter!

Ford has made significant investments in its centerpiece Oakville, Ontario assembly plant and is adding more capacity to its engine manufacturing operations in Windsor. But during the 2008 contract discussions, it announced that it had no plans for a new product line at its St. Thomas, Ontario plant. That facility, which produces Ford's larger, less popular automobiles, lost 700 jobs and its second-shift last year and is all but officially earmarked for shuttering in 2011 with the attendant loss of the remaining 1,600 jobs.

The CAW leadership, ever cognizant of its shrinking dues base—not to mention the potential for a rebellion amongst its rank-and-file—has made the issue of Ford's production levels in Canada a sticking point in the current bargaining session. They point out that Ford already has the smallest "footprint" of the Detroit Three in Canada, with some 13 percent of its North American vehicle production coming from Canada compared to about 20 percent for Chrysler and GM. The closure of the St. Thomas plant would reduce Ford's Canadian footprint to 10 percent.

Lewenza has been trying to convince Ford management that the concessions contract may be turned down by his membership without some relief for the St. Thomas operation. Said Lewenza, "If Ford Motor Company is serious about reaching a new agreement with our union, it must commit to maintaining, and hopefully expanding, its Canadian production footprint. Already Ford's proportional Canadian presence is much smaller than that of General Motors, Chrysler and even Honda and Toyota. There is absolutely no incentive for our members to approve a contract that makes a number of sacrifices without improving job security and returning our laid-off members to the job."

The threat of strong rank-and-file opposition to any deal is palpable. Just this past weekend, 39 per cent of production workers at the joint GM-Suzuki CAMI plant in Ingersoll, Ontario voted against a concessions deal that was modeled on the sell-out deals at Chrysler and GM. In 2008, the CAW leadership was shocked when its concessions contract was defeated at its giant Oakville assembly plant. Members of CAW Local 707 rejected the deal by a margin of 56 percent—the first time a CAW local voted against a master contract that the union negotiated with one of the Big Three. Nationally, 67 percent of CAW workers at Ford Canada voted to accept the concessions—the lowest percentage for a contract ratification with one of the Big Three US-based auto makers in history.

The refusal of Ford management to entertain Lewenza's pleas to date has been the cause for the slow progress of negotiations. Lewenza has stated that should Ford fail to maintain its production footprint, he will ask the federal and provincial governments to intervene. However, in the unlikely event that the big business parties that occupy those legislatures respond to the CAW, it will be to buttress the profitability of Ford at the expense of its workforce.

Ford workers should oppose the CAW's plans to surrender gains won in decades of struggle. They should join with auto workers in the US and around the world in opposing all layoffs, plant closures and concessions. Like in the US, whatever concessions are wrenched from auto workers will be used as a precedent for an assault on the entire working class.

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. Auto workers 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 auto workers—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.