

# Quebec: Shutdown of Electrolux plant threatens 1,300 jobs

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7 February 2011

Having vowed in 2008 to slash 3,000 jobs from a worldwide workforce of 57,000, the Swedish-based household appliance manufacturer Electrolux announced in December the impending closure of its l'Assomption factory, located near Montreal, and its relocation to Memphis, Tennessee.

By 2013, 1,300 workers will have been thrown onto the street. The hourly wage of the new hires in Memphis will be \$13.50 dollars, about a third less than that of the workers now employed in l'Assomption.

Company managers announced their plans for the l'Assomption plant in December surrounded by bodyguards and standing on a platform protected by a wall of appliances that they had ordered set up. A worker recorded the scene and posted the video on YouTube (see <http://www.youtube.com/watch?v=D-Xgy6M7ofw>).

According to an Electrolux press release, the world's "major appliances manufacturers lowered their cost structure by moving to more cost-effective markets," and with its average hourly wage of about \$19 an hour, the l'Assomption factory has become "unsustainable."

\$19 an hour is far from generous. It corresponds to a yearly income of less than \$40,000 dollars, below the average income in Quebec. Electrolux's new CEO, Keith McLoughlin, could, for his part, make \$US10.65 million in salary and bonuses in the coming year. In 2009, Electrolux had \$14.3 billion in total sales.

The closing of the Electrolux plant will have a devastating impact on l'Assomption, a town of 18,000 people on the outskirts of Montreal. The company is the most important private employer in l'Assomption and a third of the plant's workers are said to live in the town. According to municipal officials, "a complete network of goods and services providers" in and around l'Assomption will be adversely affected by the closure.

Electrolux's closure announcement comes on the heels of Shell's decision to eliminate 500 jobs through the transformation of its oil refinery in Montréal-Est, only a few miles from l'Assomption, into a distribution center. In recent years, a large number of manufacturing jobs have been eliminated in Quebec and Canada. This process was well underway before the global economic crisis of 2008. Between 2004 and 2008, 322,000 Canadian manufacturing jobs, nearly one in every seven, disappeared.

Dave Chartrand, chairman of the International Association of Machinists (IAM) lodge that is the bargaining agent for the l'Assomption Electrolux workers, responded to the closure announcement by insisting that the union has "always cooperated" with management. He boasted that the IAM had successfully muzzled the workers for decades, stressing that, "there has been no industrial dispute" at the plant "in at least 30 years." Chartrand added that he was confident that "a buyer will take that in consideration when the time comes to submit a factory re-launch plan." In other words, the union will not lift a finger to mobilize workers against the plant's impending closure.

After announcing its decision to close the l'Assomption plant, Electrolux contracted the services of a private security firm to intimidate the workers. Security guards stared at workers while they went about their jobs and rummaged through their lunchboxes. "What's this?" said one worker. "... Searching handbags, grabbing my arm asking: do you work here?"

Another added, "They are pushing us to do stupid things so to have a pretext to close [the plant] more rapidly." "The situation," said a third, "is on the verge of an explosion."

Management finally decided to stop deploying

security officers, but tensions remain. Shortly after the shutdown announcement, the plant had to close temporarily due to a bomb threat.

Several employees who were interviewed by local media said they fear they will not be able to find another job and government officials say they doubt that a new product line can be found for the l'Assomption plant. The company has said it will provide a meagre \$7200 in severance pay to each employee. This is all the more outrageous given that the average age at the plant is 48 and the average term of employment is 18 years.

Using the same strategy employed by businesses the world over to lower wages and roll back working conditions, Electrolux has consciously striven to pit workers on both sides of the border against each other. The state of Tennessee and the city of Memphis are providing \$US132 million in public money to finance the transfer of the Electrolux operation to their territory and the future American workers will be paid in the order of 30 percent less than their Canadian counterparts.

Quebec's Liberal government announced, after consultation with Quebec Federation of Labour (FTQ) President Michel Arsenault, that it would be willing to consider giving additional financial support to the transnational Electrolux if the l'Assomption workers "are ready to give major pay concessions in order to become much more competitive in relation to the conditions in the United States."

The Charest Liberal government knows that Quebec's unions can be relied on as allies in "saving" the Electrolux plant at the workers' expense. Since the capitalist ruling elite shifted sharply to the right at the beginning of the 1980s, the unions have been invaluable allies of big business in suppressing the class struggle and imposing concessions. A central element in the union bureaucracy's demobilization and demoralization of the working class is its promotion of nationalism and protectionism, which serves to pit workers against each other in a fratricidal struggle for a dwindling number of jobs. In Quebec, this has taken the form of active support for the Parti Québécois (PQ), a big-business party that demands more powers for the Quebec bourgeoisie and threatens secession from the Canadian federal state. When in office, the PQ has imposed brutal social spending cuts and used a battery

of draconian laws to illegalize worker resistance.

Jean-Claude Rocheleau, the head of the Shell refinery workers' union, has provided a further illustration of the union officialdom's integration with the big business political establishment. After leading a campaign against the refinery closure that focused on lobbying government and was in everywhere directed against the independent mobilization of the working class, Rocheleau announced late last year that he will run in the next federal election for the Bloc Québécois, the PQ's sister party at the federal level.

Any serious struggle against the shutdown of the Electrolux plant requires the formation of a rank-and-file committee that is independent of the union bureaucracy and ready to make the widest class appeal to workers in Quebec and Tennessee and to Electrolux workers throughout the world. Such a counteroffensive in defence of jobs, wages and working conditions must be based on a new political perspective—a socialist internationalist perspective that challenges the subordination of socioeconomic life and the needs of working people to the profits of big business.



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