

# Australia: Union calls off Jeld-Wen strike

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At the recommendation of the Construction Forestry Mining and Energy Union (CFMEU), workers at Corinthian Doors, a subsidiary of the US transnational Jeld-Wen, went back to work on September 29 after 15 days of lockouts and strikes, without any resolution to their fight against the company's demand for cuts to wages and conditions. Stoppages have also been called off at two other Jeld-Wen companies, William Russell Doors and Stegbar.

On its web site, the CFMEU cynically described the return to work, affecting several hundred workers in four states, as a "breakthrough" designed to "encourage the company to reciprocate in good faith in the next stage of the negotiations." In reality, having mobilised strike-breakers throughout the dispute, Jeld-Wen has stepped up its offensive, demanding even deeper cuts to take-home pay and posting out ballots to pressure employees into accepting its terms.

CFMEU official Phil Davies conceded in a media comment that the company's latest pay offer, given after Jeld-Wen imposed a three-day lockout in mid-September, was worse than its original "non-negotiable" proposal. One-third of all job classifications would see a further decline in real wages. The management has not budged from abolishing an attendance bonus scheme and raising wages by only 2.5 percent to 2.9 percent per year when the official cost of living index sits at 4.5 percent.

To depict the calling off of the strike as a "breakthrough" in these conditions is ludicrous. In fact, the claim reveals what has become the essential role of the trade unions: to either prevent or shut down industrial action. The CFMEU and other unions are working to break down the resistance of their members to the restructuring of manufacturing and other basic industries being carried out by the corporations, backed to the hilt by the Gillard Labor government.

The CFMEU announcement called for the commencement of "meaningful negotiations" on a new three-year enterprise agreement, "this time with the upper echelon of the company's management." To suggest that the "upper echelon" will prove amenable to workers' interests is a calculated deception. Last month, Jeld-Wen was taken over by the Canadian-based private equity firm Onex, which specialises in buying high-cost manufacturing portions of companies—such as GM, IBM, Raytheon and Boeing—and turning them into low-cost suppliers.

According to Onex's own web site, it has a focus on "operational restructurings of undervalued businesses where we can reorganize assets, implement cost savings and refocus the organization on growth." In its on-line pitch to investors, the company boasts that "over 27 years, Onex has completed more than 310 acquisitions and generated a 29 percent compound annual return on invested capital."

Jeld-Wen's "upper echelon" is now headed by Philip Orsino, Onex's building products industrial partner. According to the takeover statement, Orsino is "responsible for JELD-WEN's day-to-day operations and is working with the management team to improve the company's overall operational and financial performance."

Onex swooped on Jeld-Wen after the 2007 collapse of the US housing market, followed by the global economic meltdown, brought Jeld-Wen to the brink of bankruptcy. One of the world's largest suppliers of windows, doors and other housing products, with operations in 25 countries, Jeld-Wen has already closed 21 plants and shed 25 percent of its worldwide workforce since 2008. Onex bought a controlling 58 percent share for \$US875 million after Jeld-Wen had failed to sell enough bonds to satisfy the financial markets that it could service its debt of some \$1.2 billion.

A Corinthian Doors worker from the St Marys factory in Sydney told the WSWS she felt uneasy about the return to work. “There has been no settlement. One boss said they would not negotiate unless we went back to work. I am not really happy with going back without anything being resolved. This has been the longest strike in the existence of Corinthian Doors and the longest strike I’ve ever been involved in.”

Referring to the slashing of wages, jobs and services in Greece and other European countries, she said: “I am worried that what is happening here is what’s happening everywhere: companies are trying to cut us back to the lowest wages possible.”

The Jeld-Wen workers are already poorly-paid, averaging \$818 per week, far below the average weekly ordinary time earnings in Australian manufacturing of \$1,170 a week. In 2008, during the last round of union-conducted enterprise bargaining, the CFMEU convinced the Corinthian Doors workers to take what amounted to a real pay cut, on the false hope that they would recover ground when the global financial crisis eased.

At the South Dandenong plant in Melbourne, a worker told the WSWS that three years ago, the company had “cried poor and we agreed to bear with them.” He believed that the 2011 agreement should be a catch-up, not a further pay cut and loss of the attendance bonus. He said he was worried that the company would not yield and the union would “just make a deal.”

Another worker expressed concern that the union would give up the attendance bonus. A third worker, Mark, wanted to be quoted about the impact of Jeld-Wen’s low wages on workers’ living standards. “We don’t want lobster, we don’t want toasted sandwiches—we’re just after a ‘meat and three vegetables’ diet,” he commented.

During the strike, the CFMEU refused to mobilise other members of the union in support, not even the Hume Doors workers around the corner from the South Dandenong plant, whose company was helping to fill the gap in door supplies. Throughout the dispute, CFMEU officials have vehemently opposed linking up the Jeld-Wen workers’ struggle with any other section of the working class, including the BlueScope Steel and thousands of other manufacturing workers being

retrenched across Australia, and the state and federal public sector workers confronting similar wage-cutting demands as the Jeld-Wen strikers. (See: “Australia: Jeld-Wen strike into third week”)

The CFMEU and other unions are hostile to any such unified struggle because it would immediately become a direct political confrontation with Prime Minister Julia Gillard’s government, which has backed the mass sackings underway throughout manufacturing as an essential economic “transition.” This “transition” essentially means matching the downward spiral of working-class conditions taking place across Europe and America, in order to assist Australian-based factories to “compete” for markets.

While fighting to keep the Jeld-Wen dispute isolated, the CFMEU has put on a show of securing displays of support from some other unions, and from international union federations, such as the Building and Wood Workers International. These have been limited to token protests and empty statements of solidarity.

The Canadian steel and communications union presidents wrote to Onex chief Gerry Schwartz—a billionaire and one of Canada’s wealthiest people—asking him not to use investment flows from union pension funds to “bust unions.” Such appeals will not make the slightest difference to the cost-cutting plans of Onex.

Jeld-Wen workers can defeat Onex’s wage-cutting drive only by breaking free of the unions and their pro-capitalist program. That means forming rank-and-file committees to prepare to resume the strike and turn for support to all other sections of the Onex and Jeld-Wen workforces internationally, as well as the workers now under attack across Australia—in manufacturing, the airlines and public sector. Such a rebellion, which will involve a political battle against the Labor government, can be sustained only on the basis of a socialist perspective to completely reorganise economic life to serve the interests of working people, not the financial and business elites.



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