

Caterpillar to close Ontario locomotive plant where workers resisted wage cut

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Caterpillar subsidiary Electro-Motive Diesel (EMD) has announced that it is transforming the lockout at its London, Ontario diesel-locomotive manufacturing facility into a plant closure.

Six weeks ago, Caterpillar locked out the 465 production workers at its London plant after they overwhelmingly rejected the company's demands for a 55 percent wage cut, the elimination of their pension plan, and other sweeping concessions.

EMD announced the closure Friday morning in a terse press release that blamed uncompetitive labor costs and worker intransigence for its decision. "The cost structure of the operation was not sustainable," said the release, "and efforts to negotiate a new, competitive collective agreement were not successful."

Just last week Caterpillar boasted that the 2011 fiscal year was the most profitable in its history, with profits rising by 83 percent to US \$4.9 billion.

The EMD announcement set no precise closure date, nor did it indicate where the final assembly operations carried out at the London plant will be transferred. However, in seeking to blackmail the London workers into accepting poverty wages, the company has repeatedly pointed to the low-wage contract the UAW has imposed on workers at its Lagrange, Illinois plant and to its recent opening of a facility in Muncie, Indiana where workers are paid just \$12 per hour.

The plant closure will have a devastating impact on London, a southwest Ontario manufacturing center that is already reeling from the shakeout in North America's auto industry. In addition to the 465 production workers and scores of office and managerial personnel employed at the London EMD plant, the closure announcement directly targets some two thousand workers in the London-area who perform ancillary tasks for the locomotive plant.

The Canadian Auto Workers (CAW) union, the bargaining representative for the London locomotive workers, quickly signaled that it has no intention of challenging Caterpillar's plans to shutter the London facility.

CAW Local 27 Executive Member Jim Kennedy told picketing workers, reports the *London Free Press*, that the union will now seek to negotiate the "best possible" severance benefits. Sounding as if he were delivering an autopsy on the EMD workers' militant struggle, CAW Local 27 Chairperson Bob Scott said, "I will not look back at what we did. We held out for what was right."

An article on the CAW website said that the union was not surprised EMD has chosen to shut the plant. It quoted CAW President Ken Lewenza as saying, "Caterpillar had no intention of keeping this plant open. From day one, we believed that Caterpillar was trying to provoke a crisis, by forcing deep cuts that were not possible."

The CAW has played a pivotal role in restructuring Canada's auto industry so that investors can again reap large profits. In 2009 it worked with the federal Conservative government of Stephen Harper, the Ontario Liberal government of Dalton McGuinty, and the Obama administration in the United States to impose wage and benefit cuts of \$19 per worker per hour on Detroit Three workers.

It similarly signaled to Caterpillar that it was ready to make major contract concessions, as it did in the previous contract when the London EMD plant had a different owner. But the company insisted that the union swallow the whole hog and agree to implement a \$30 million per-year cut in labor costs as a precondition for returning to the bargaining table.

As it does whenever events demonstrate the utter

incompatibility of its nationalist-corporatist strategy with the interests of the workers its purports to represent, the CAW has responded to the closure announcement with reactionary Canadian nationalist demagoguery.

CAW President Lewenza blamed the closure on the federal Conservative government's failure to implement protectionist measures to defend "Canadian jobs." According to Lewenza, Prime Minister Stephen Harper's government "only seems able to represent multi-national corporations."

Harper, to be sure, is an implacable enemy of the working class. But he is first and foremost a representative of the Canadian ruling elite—an elite which is mounting a cross-Canada assault against the working class. Lewenza's ally, Liberal Premier Dalton McGuinty, is, for example, about to deliver a budget that will impose steep social spending cuts and a wage-cutting "wage restraint" regime on a million public sector workers. (See: Ontario premier feigns support for locked-out Electro-Motive workers)

The CAW, like the UAW south of the border, has worked systematically to prevent workers in Canada and the US from mounting a united struggle against *all* concessions in defense of *all* jobs. The rival union apparatuses have competed over which could offer employers the lowest labor costs and highest productivity, thereby enabling Caterpillar and other transnationals to pit worker against worker in a race to the bottom.

There is enormous sympathy and support for the Caterpillar workers and not simply because of the evident injustice in a transnational corporation giving workers the impossible "choice" between being impoverished via concessions or by unemployment. Increasingly workers recognize that the big business elite is determined to destroy all the rights that the working class won through the great social struggles of the last century, from decent wages and pensions to public health care.

The CAW maintains that workers are powerless before Caterpillar's closure announcement. In fact they wield tremendous power as a class. But the unions and their allies in the social-democratic NDP support and uphold the capitalist profit system—the subordination of all economic life, including the most fundamental decisions about jobs and terms of employment, to

investors' profits.

The fact that the workers who operate and maintain Caterpillar-made locomotives at some of North America's largest railways, including Canadian Pacific and Canadian National Railways, are officially represented by the CAW only underscores that the union could immediately strike back against the transnational. But it won't because any genuine mobilization of the working class would immediately result in a confrontation with the entire corporate elite and political establishment, thereby imperiling the big business-designed "collective bargaining system" and the corporatist union-employer-government relations that are the source of the union officialdom's privileges.

To defend their jobs and conditions, workers at London's Caterpillar plant are confronted with the same basic challenge facing workers across North America: the need to break free of the political and organizational control of the unions and to develop an industrial and political offensive of the entire working class that challenges the subordination of workers' needs to big business profits and unites workers across national boundaries in a common struggle.



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