

# CAW begins talks on closing Ontario Caterpillar plant

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9 February 2012

The Canadian Auto Workers (CAW) union began talks with Caterpillar subsidiary Electro-Motive Diesel Tuesday on an agreement to close its London, Ontario, plant.

Last Friday, Caterpillar announced that it was transforming a six-week-old lockout of the 465 CAW members employed at the train locomotive assembly facility into a plant closure.

Caterpillar had locked the workers out after they rejected its demands for sweeping contract concessions, including a more than 50 percent wage cut, the elimination of the defined pension benefits plan, and sweeping cuts in other benefits.

No sooner did Caterpillar announce the closure, than the CAW signaled its acceptance, announcing that henceforth its aim would be to secure a premium severance package for the laid-off workers.

The plant closure has sparked outrage in London and across Canada, where it is rightly seen as setting a new benchmark for corporate ruthlessness. Only the week before announcing the closure of the London plant, Caterpillar announced a record profit for 2011 of \$4.9 billion.

At the conclusion of Tuesday's negotiating session, CAW Local 27 President Tim Carrie told reporters that the union had outlined its demands for a severance package above the provincially-mandated minimum: "They told us they thought we were asking for a lot . . . but it was not met with an all out 'no'."

CAW President Ken Lewenza, who had earlier indicated that an agreement could be reached by the end of this week, said "the animosity and inflexibility of the company" had been "reflected" in Tuesday's discussions.

Negotiations are slated to resume today.

In addition to equipment, Electro-Motive Diesel has

nine locomotives close to completion at the London plant and another ten underway.

Lewenza and other CAW officials have threatened to organize an occupation of the plant if Caterpillar is not forthcoming in the severance pay negotiations.

This threat only underscores that the union is well aware that workers are far from powerless before Caterpillar. But the CAW has not and will not mobilize this power to oppose the plant closure and make the struggle against Caterpillar the rallying point of a North America-wide movement against all concessions and plant closures, because any genuine mobilization of the working class would bring it into headlong conflict with the courts, police and government and threaten the corporatist relations the union has long-cultivated with the automakers and the big business political establishment.

Earlier last week Lewenza praised Ontario Liberal Premier Dalton McGuinty for a speech he gave before the London Chamber of Commerce in which he praised the CAW for its "flexibility"—the union made clear it was ready to negotiate concessions just not on the scale demanded by Caterpillar—and chastised the company for its refusal to negotiate. In the same speech and in the same vein, McGuinty, whose re-election last fall was promoted by the CAW, reiterated that a pivot of his program to eliminate the province's \$16 billion annual deficit is negotiations with the unions to restrain, i.e., cut, public sector wages.

On several occasions, including at a Caterpillar plant in Brampton, Ontario 20 years ago, the CAW has organized or supported plant occupations, but virtually without exception these have been protests limited to securing severance pay deals or were transformed into such by the union. Never has the CAW challenged a company's "right" to close a plant.

In the case of the London Caterpillar plant were the CAW leadership to organize an “occupation” it would no doubt be done in close cooperation with the authorities, possibly with the consent of the London Mayor, former right-wing federal Liberal MP and Labour minister Joe Fontana. The CAW made Fontana, who gained notoriety as the first mayor in Canada to order police to dismantle an “Occupy protest,” a featured speaker at the rally it held in support of the locked-out Caterpillar workers.

While McGuinty has feigned support for the Caterpillar workers and outrage over the company’s blackmail and callous indifference to the impact of the closure on London residents, Ontario Progressive Conservative leader Tim Hudak has effectively solidarized himself with Caterpillar’s actions. Hudak has said that the plant closure shows Ontario needs to be made more competitive through deregulation, lower corporate taxes, and “more balanced”—i.e., employer-friendly—labor laws. “Something’s gone off the rails,” said Hudak. “We need to take a different approach to opening Ontario up for investment ... Our big spending, high energy policies, they’re closing the doors on businesses in this province.”



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