

Oppose the Ford “pattern” of two-tier wages and concessions:

For a counteroffensive of Canadian and US auto workers!

Socialist Equality Party (Canada)
22 September 2012

Workers at the Canadian operations of the Detroit Three should reject the sell-out contract that the Canadian Auto Workers has reached with Ford and is intent on making the pattern for contracts at General Motors and Chrysler. As automakers are making massive and in some cases record profits, the CAW is again attempting to force through historic concessions.

The Ford “pattern” would lock in all the benefit cuts and work-rule changes agreed to in 2009. At that time, the CAW, in league with the US, Canadian and Ontario governments, imposed deep cuts on GM and Chrysler workers in the name of saving the industry. Subsequently, the union, claiming it was only “fair,” extended these rollbacks to Ford, which hadn’t participated in the “auto bailout.”

On top of these concessions—which the union itself said were worth at least \$19 per hour per worker—the CAW has now agreed to:

- **An expansion of the two-tier wage system:** New hires will start at \$20 per hour, or 60 percent of the wages of veteran workers, a \$4 per hour reduction from the rate set for new hires in the 2009 contract. And they will have to work a full decade just to earn the regular base wage.

- **Major pension cuts:** Retirees’ pensions will be at the mercy of inflation as they will not be subject to cost of living adjustments. Moreover, a vastly inferior pension scheme is being established for new hires—a first step to getting rid of the decades-old defined benefits pension plan altogether. New hires will have to co-pay for their pensions and only half of their ultimate benefits will be defined. The other half will be entirely dependent on the fluctuations of the stock market.

- **A four-year wage freeze:** Instead of annual wage increases, workers will receive a series of lump-sum

payments—payments that amount to \$7,000 less than those guaranteed to US auto workers under the contract negotiated last year by the UAW. And COLA will be frozen until just before the contract’s termination in September 2016.

The CAW bureaucrats are seeking to bully auto workers into accepting these givebacks, claiming that to do otherwise will imperil the “investment guarantees” they have “won.”

This is the tired lie CAW and UAW officials have peddled for over a quarter-century: that “concessions save jobs.” In fact the Detroit Three have dramatically reduced their workforces through plant closures and speedups, while the CAW and UAW, in the name of securing “product placements” and “investments,” have pitted auto workers against each other in a race to the bottom.

CAW President Ken Lewenza will also argue that if auto workers resist this attack, they will be isolated. To be sure, business and the corporate media will recycle their lies about “fat cat” auto workers. The ruling elite has never forgotten that as a result of the militant struggles auto workers waged in the 1930s and 1940s, they long played a pioneering role in raising workers’ living standards.

But amongst working people a determined stand against *all* concessions and job cuts would win mass support. The conditions faced by auto workers are those confronting all sections of the working class.

In Canada as around the world, big business and its political representatives have responded to the greatest crisis of world capitalism since the Great Depression by seeking to destroy what remains of the social benefits and rights workers wrested from them in the social struggles

of the last century.

The federal Conservative government is hiking the retirement age, slashing jobless benefits, cutting tens of billions from Medicare over the next decade, and has repeatedly used strikebreaking laws to assist employers like Air Canada and Canada Post in imposing pension cuts and other concessions. In Ontario, the McGuinty Liberal government, which has long enjoyed the support of the CAW, is pursuing an austerity program even more savage than that carried out by Mike Harris and his Conservatives.

A struggle by rank-and-file auto workers against concessions would provide a powerful lead to the million Ontario teachers, nurses, hospital workers and other public sector employees whose wages are being cut through the Ontario Liberal government's two-year wage freeze.

No less importantly, it would galvanize auto workers in the US, who—as the recent overwhelming rejection vote at Chrysler's Dundee, Michigan Engine Plant illustrates—are seething with anger at a UAW that works hand-in-glove with the company.

To be successful, militant industrial action against the Detroit Three —reviving auto workers' traditions of struggle, including the joint mobilization of U.S. and Canadian workers—must be based on a socialist internationalist strategy.

Workers are not responsible for the capitalist crisis and should not be made to pay for it! If the billionaire capitalists who control the economy can't provide workers with a decent wage and basic social rights—and they clearly won't and can't—then the working class should advance its own program to radically reorganize the economy on the basis of social needs, not private profit.

The fight against the auto bosses is a political struggle. In 2009, the US and Canadian governments threatened to shut down the auto industry unless auto workers accepted massive concessions. The federal Conservative and Ontario Liberal governments in the name of austerity are now spearheading the cross-Canada assault on the working class. Meanwhile, the NDP joins with the trade unions to suppress the resistance of the working class. The NDP helped McGuinty pass his austerity budget last spring and refused to provide even nominal support to the Quebec student strike.

Canadian auto workers must mount a common struggle with their class brothers and sisters in the US, Mexico and around the world. In 1985, the CAW

leadership justified its split from the UAW by pointing to the reactionary, pro-company policies of the union's leadership. But far from constituting a genuine challenge to concessions, the split within the union apparatus served to strengthen the rightwing UAW leadership, while removing organizational constraints on the Canadian union bureaucracy's pursuit of its own rightwing strategy.

The corporations welcomed the split, as it facilitated their efforts to pit worker against worker, the better to drive down the wages and gut the working conditions of all. Twenty-five years later, auto workers in Canada and the US are laden with rival bureaucratic organizations that pursue an identical pro-company course of imposing concessions and suppressing worker opposition, and systematically preventing any joint struggle of North American workers against job and wage cuts.

Workers must build new organizations of struggle. To wage their struggle against the Big Three, rank-and-file auto workers should establish committees independent of the CAW to organize an industry-wide strike, fight to rally the support of US auto workers and coordinate joint action—demonstrations, strikes, and occupations—with workers across Canada.

Such a working-class counteroffensive will immediately pose the need for a political struggle, as it will bring workers into head-on collision with the government, all the parties of big business, and the entire state machinery that upholds capitalist exploitation and social inequality. To defeat big business, workers need their own socialist political party that has as its aim the establishment of a workers' government to nationalize the banks and giant corporations and turn them into public utilities democratically controlled by working people.

We urge workers who support this program of struggle or who want to discuss the way forward to read the World Socialist Web Site (wsws.org) and join the Socialist Equality Party.



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wsws.org/contact