

CAW leadership bows to Ford Canada's concessions demands

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The Canadian Auto Workers union reached a tentative agreement with Ford late Monday afternoon on a four-year labor agreement covering 4,500 hourly workers at the automaker's facilities in Oakville and Windsor, Ontario. The concessions-laden deal marks a new stage in the CAW's complicity in the destruction of all of the gains won by auto workers since the 1930s.

In his press conference announcing the tentative agreement, CAW President Ken Lewenza displayed the vast gulf that exists between the union bureaucracy and rank-and-file auto workers. Lewenza hailed the agreement as a "damn good deal" despite abjectly surrendering to the company on virtually every major point of contention.

Few auto workers will be fooled by Lewenza's claims. In fact, at his press conference the CAW chief was really appealing to the owners of General Motors and Chrysler to recognize that they will be able to profit handsomely from a Ford-type contract. "If it's good enough for Ford, it's good enough for GM and Chrysler," he bragged.

GM and, particularly Chrysler, have previously balked at automatic endorsement of any "pattern settlement" in the industry. Chrysler CEO Sergio Marchionne has threatened to reduce future company investment in Canada should the CAW not cede to his demand for a permanent two-tier wage system.

The deal with Ford locks in all the cuts agreed to in 2009, when the CAW, in league with the U.S. and Canadian governments, imposed massive concessions on GM and Chrysler workers in the name of "saving the industry," then "in fairness" extended the same concessions to Ford, which didn't participate in the "auto bailout."

In addition, it greatly expands the two-tier wages system, begins the dismantling of the defined benefits

pension scheme, eliminates annual wage increases, once again suspends cost-of-living allowances for active workers and allows retirees' pensions to be ravaged by inflation.

Shortly after coming to terms with the Ford bargaining committee, Lewenza announced that he was "indefinitely" suspending any threatened strike action against General Motors and Chrysler, putting paid to previous bluster about job action against any or all of the Detroit Three automakers who failed to reach an agreement by the Monday midnight contract deadline.

Under the new agreement with Ford:

- New hires will start at \$20 per hour or 60 percent of the wages of veteran workers, a ten percent or \$4 per hour reduction from the terms for new hires in the 2009 contract. Further, they will now be required to work ten years (as opposed to six) to earn the regular base wage rate.

- New hires will not be enrolled in the half-century old defined benefits pension plan. Rather, they will participate in a hybrid scheme, under which a portion of the money allotted to their pensions will be deducted from their pay and half of their future benefits will be entirely dependent on the fluctuations of the stock market.

- Wages will be frozen until the contract's expiry in Sept. 2016, as they were under the previous contract. Signing bonuses and lump sum payments will total \$9,000 over the life of the contract. This is fully \$7,000 less than those to be paid out to workers at the Detroit Three's U.S. operations under the concessionary contracts the UAW signed in 2011.

- Cost-of-living allowances will not come into effect until the fourth quarter of the final year of the deal. Retirees will have no cost-of-living protection for their pensions.

These brutal concessions come on the heels of previous give-back contracts signed by the CAW over the past two decades. In 2009, the Canadian Auto Workers union reopened the three-year concessions contracts the union had negotiated in the spring of 2008 with the Detroit Three and forced through sweeping new cuts in benefits and paid time-off, work-rule changes and other giveaways. According to the union itself, these concessions slashed total labor costs (wages and benefits) by more than \$19 per hour through September 2012.

Lewenza made much of projections that up to 600 jobs will be created at Ford's Canadian operations over the life of the new agreement, which would allow for the recall of laid-off production workers. Most of those jobs, however, were already in the pipeline prior to the current round of negotiations and are largely predicated on a previously bargained early retirement program. In the past eight years, Ford has cut its Canadian workforce almost in half. Currently, there are over 1,000 workers awaiting recall.

The Ford contract comes at a time when the Detroit Three are once again recording fat profits. While auto workers are being forced to swallow further concessions, the union executives continue to pull in swollen, six-figure salaries (plus expenses) with no fear of redundancy. However, as junior partners in the auto industry, they can only marvel at the compensation levels of their corporate masters.

Marchionne, paid by parent company Fiat SpA, which owns 58.5 percent of Chrysler, was awarded 14.5 million euros (US\$19 million) in 2011, mostly in stock grants. General Motors—which made a record \$7.6 billion in 2011—paid CEO Dan Akerson \$2.53 million in total compensation after serving as CEO for four months in 2010. His 2011 compensation, capped for the time being by the Obama administration due to constraints imposed by the auto bailout deal, nonetheless totaled almost \$8 million.

In addition to his seven-figure salary, Ford Motor Co.'s chief executive officer, Alan Mulally, has received stock and options worth more than \$100 million since 2009.

For many years now, the CAW bureaucracy has acted as the arm of the auto corporations inside the workplace. These well-paid officials have made common cause with big-business federal and Ontario

Liberal governments, agreed to form a no-strike company union at auto parts giant Magna International, dismantled plant occupations and other militant worker struggles and repeatedly rammed through concession agreements.

The actions of the CAW only underscore the fact that it cannot be reformed and forced to respond to the needs of auto workers. Like the UAW, it has been transformed over the last three decades into a pro-company organization, controlled by an upper-middle-class layer of highly paid officials that answers only to the corporations and the government.

The only way forward for workers is to break decisively with this anti-labor organization and build rank-and-file committees, independent of the CAW, and to wage an industrial and political struggle, based on a socialist and internationalist program, to fight for well-paying and secure jobs for all workers.



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