

# Ford Canada workers ratify concessions deal

**Carl Bronski**  
25 September 2012

After a campaign of plant closing and mass layoff threats by Ford, the Canadian government and the Canadian Auto Workers union, CAW members employed at plants in Windsor and Oakville, Ontario voted by 82 percent to ratify a concessions-laden contract. The deal had been touted by the union as the “best that they can do” under conditions where Ford Motor Company threatened to pull production from Canada if workers did not agree to sweeping givebacks.

Ford has posted profits in its first two 2012 quarters of over \$3.6 billion, much of it from its North American division. The profits are the result of previous concession contracts imposed on autoworkers in cost-cutting deals signed by both the United Auto Workers (UAW) in the United States and the CAW over the past several years.

The company internationally has posted three straight years of multi-billion dollar profits even in the face of significant sales problems in Europe and South America stemming from the global financial crisis.

Auto workers, through bitter experience, have come to learn that they have absolutely no means through the CAW of fighting to defend their jobs and living standards. In a press conference several days prior to the conclusion of the tentative pact with Ford, CAW president Ken Lewenza said his union has no quarrel with the auto companies making profits, indeed even “big profits.”

The auto bosses went into this round of negotiations insisting that Canada was the most expensive place in the world to produce an automobile. Long gone were the low Canadian dollar and the comparative advantage due to nationalized health care insurance that, for a time, allowed the CAW to posture as a more militant union since splitting with the UAW in 1985.

But far from constituting a genuine challenge to openly corporatist UAW, the split removed any organizational

constraints on the Canadian union bureaucracy’s pursuit of its own right-wing strategy. Canadian plant closures soon began with the shuttering of GM plants in Scarborough, Ontario and St. Therese, Quebec, the implementation of two-tier shelf-agreements in Oshawa and elsewhere and culminating in the give-back of \$19 per hour in labour costs in the 2009 “re-opened” contracts.

Twenty-seven years since the split in the union, 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 auto workers against job and wage cuts.

During the speeches from Lewenza and local CAW bargaining officials prior to the Ford ratification vote on Sunday, the officialdom was keen to tell workers that the deal was as much as could be accomplished and that it was impossible to fight concessions whilst the right-wing Conservative government of Stephen Harper sits in Ottawa. This bluster was belied by the fact that the CAW has supported the big business Liberal Party both provincially and federally over the years while also providing “strategic” backing to the ever-rightward moving New Democrats in selected constituencies.

With the fine print of the contract now available for examination, the extent of the concessions go even further than originally reported in the press. The deal deepens a two-tier wages system introduced in 2009 reducing new hire wages another \$4 per hour (to \$20 from \$24) and extending their time on the second tier from six years to ten years. Veteran workers, who have their wages and cost-of-living allowances frozen, currently earn \$34 per hour. Retirees have their cost-of-living allowance eliminated.

Newly hired workers not only surrender a defined benefits pension plan in favour of a hybrid scheme that does not guarantee them a fixed pension amount, they must, for the first time ever in a CAW contract, also pay heavy premiums into their plan. New employees now must pay \$1 per every hour worked into the new pension scheme, rising to \$1.50 per hour in years five, six and seven and to \$2 per hour in every year employed at the company after that. Thusly, by their eighth year on the job almost 6 percent of their wages will be creamed off to pay Ford's "legacy costs."

This same deal was agreed to last Friday by the CAW and General Motors. Membership votes have been scheduled for Wednesday and Thursday for GM workers in Oshawa and St. Catharines, Ontario. The union is now engaged with Chrysler Corporation's bargaining team to cement the "pattern agreement" at all three of Detroit's auto companies. Chrysler CEO Sergio Marchionne—who in 2009 infamously said US workers had to accept a "culture of poverty" instead of a "culture of entitlement—is reportedly seeking even greater concessions from Canadian workers.

A team of reporters from the *World Socialist Web Site* intervened at the Ford contract ratification vote this past weekend in Windsor, Ontario, interviewing workers and distributing a Socialist Equality Party (Canada) statement, "For a counteroffensive of US and Canadian auto workers ." The presence of the campaign team provoked a frenzied response from CAW bureaucrats who attempted to intimidate workers from taking a copy of the statement, saying our material "was not sanctioned" by the union. Despite this, hundreds of copies of the statement were handed out to members entering the voting venue.

A veteran Ford worker reacted strongly to the call for a united struggle by US and Canadian auto workers. "We should go out on one big strike, the US and Canada," he said. He agreed that, "The biggest mistake we made was splitting from the UAW, adding, "We have had a company union for a long time. I can't remember the last time we had a strike."

Another Ford worker, David, expressed concern about the future of young people. "It is not just me I am worried about. It is my son. Maybe he will have to hire in at that two-tier wage." Noting that he expected a drive to get the older workers out of the plant he remarked, "It is only a

matter of time before they start offering us buyouts."

The SEP statement, which called upon Ford workers to reject the contract and fight for the industrial and political mobilization of auto workers across North America, explained:

"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.

"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."

The statement went on to outline a socialist internationalist strategy to defeat *all* job cuts and concessions, including the need to build new organizations of working class struggle in opposition to the pro-capitalist CAW and UAW and for the development of an independent political movement of the working class to fight for a workers' government that would radically reorganize the economy so as to make the satisfaction of social needs, not investors' profits, the animating principle.

*The full statement can be found here*



To contact the WSWS and the Socialist Equality Party visit:

**wsws.org/contact**