

# Canadian Auto Workers union reopens CAMI-GM contract

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On the recommendation of the leadership of the Canadian Auto Workers union, workers at the CAMI-GM assembly plant in Ingersoll, Ontario voted last Sunday to allow the union to reopen their contract some seven months before the existing agreement is set to expire.

In so doing, the union is seeking to more quickly bring the contract covering the 3,000 CAMI-GM workers into line with the massive concession contracts signed by the CAW last September with the Detroit Three auto companies. The CAMI plant, which manufactures the Chevrolet Equinox and GMC Terrain “compact cross-over” SUVs, was until 2009, a joint venture between General Motors and Suzuki and has from its opening bargained collective agreements a year after deals were traditionally negotiated at all other Detroit Three plants in Canada.

It is now expected that a new collective agreement will be in place by late March and that it will mimic the “pattern” settlement agreed to last fall by the CAW with GM, Ford and Chrysler. That deal deepened 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 lower 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 lost their cost-of-living allowance (COLA). A tiny COLA increase will be available for current workers in the final quarter of the four-year deal.

In the September 2012 agreements, newly-hired workers not only surrendered 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 with the Detroit Three, also pay heavy premiums into their plan. New

employees now 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 company “legacy costs.”

Historically, pattern-bargaining was a means to raise wages and benefits across the entire industry. Now, it is invoked by the CAW as an argument for draconian concessions.

Not content with imposing these give-backs every three or four years, the CAW in Ingersoll has sped up the process to further guarantee the burgeoning profits of GM at CAMI. Turning reality on its head, Plant Chairman Mike Van Boekel bragged in the run-up to the Sunday vote, “We took a strike in 1992 to achieve pattern,” but somehow neglected to mention that the series of pattern deals signed over the past decade and more have relentlessly driven wages and benefits toward the bottom.

The re-opening of the contract came as no surprise to auto industry analysts who have noted the high demand for the CAMI produced vehicles. The Ingersoll plant currently operates at 150 percent capacity, running three full shifts, six days a week. Such is the grueling pace of work on the shop floor that productivity rates at CAMI are second only to GM’s Fort Wayne, Indiana truck plant, where speed-ups policed by the United Auto Workers union know few bounds.

Pseudo-left apologists for the CAW are claiming that the union officialdom, forced into a corner by a rapacious GM, reluctantly agreed to reopen the contract at CAMI. “Left” social democrats Leo Panitch and Sam Ginden (himself a former CAW economist and major proponent of the 1985 division of North American autoworkers along national lines) recently

wrote that GM had used the “whip of competitiveness” to bring CAW officials into line by threatening to shift production south of the border.

But Panitch’s and Ginden’s apology for the CAW at CAMI simply does not bear up to the facts. The CAW bureaucracy needs no such “whip.” For decades the union has collaborated in the destruction of jobs and living standards in the name of making the corporations more competitive. The CAW has overseen an almost 50 percent reduction in the number of hourly workers at Detroit’s Big Three automakers in Canada since 2001.

In order to boost a sagging dues base, the CAW has offered its members up as cheaper and cheaper labor to entice the automakers to maintain a Canadian “footprint.” According to this outlook, workers have no interests separate and apart from those of corporate management. Accordingly, the task of the CAW is to boost productivity, assist management in cutting costs and impose whatever measures are necessary to increase competitiveness against foreign-based rivals. In keeping with this policy the CAW bureaucracy has helped management pit worker against worker in a fratricidal struggle over a dwindling number of jobs.

And in keeping with this pro-big business policy, the CAW has developed intimate ties with the Liberal Party, for most of the 20th Century the Canadian ruling class’s preferred party of government. In the last Ontario election, CAW President Ken Lewenza campaigned alongside then Ontario Premier Dalton McGuinty, hailing McGuinty’s role in the 2009 “bailout” of the auto bosses, under which cuts of \$20 per hour were imposed on GM and Chrysler workers. The CAW, in “fairness,” then imposed like cuts on Ford workers.

According to the *Windsor Star*, Lewenza lobbied GM as early as last summer to re-open the CAMI contract.

GM production projections show that the company expects to run the Ingersoll plant at normal or beyond normal capacity for the foreseeable future. “General Motors almost has no choice but to run CAMI as hot as they possibly can and they need it for the next four to six years,” said auto industry market analyst Dennis DesRosiers.

DesRosiers, a longtime mouthpiece for the auto bosses, recently lavished praise on the CAW, noting that, “For the past three or four agreements now, the CAW has been very accommodating to the vehicle

companies.”

Speaking like a junior corporate executive, CAW official Mike Van Boekel told the *Windsor Star* the contract needs to be reopened because “there are plans for an addition to the plant and I think GM would like to get its fixed costs in place before they start pouring cement.” GM Canada spokesperson Adria Mackenzie concurred, telling the *Star* that both the company and the union are in agreement on an early reopening. For his own part, Lewenza hailed the prospect of imposing an early concessions deal on the CAMI workers. “There has been significant investment contemplated for the plant in terms of additional floor space so we’re encouraged by that. I think both sides would like to entertain the idea of labour peace going forward for three or four years.”

The union’s most recent prostrations before the dictates of corporate profitability have not been limited to the episode at CAMI. Just prior to Christmas, GM announced that it will end production of the Camaro at its Oshawa, Ontario facility in late 2015, threatening at least 1,000 jobs at the plant. “The key factors in this business case,” said company spokesperson Faye Roberts, “were lower capital investment and improved production efficiencies” in Lansing, Michigan.

There was no talk, however, of any plan by the CAW to resist the move. Chris Buckley, president of the union’s Local 222, could only lament the fact that GM had not telegraphed its decision a few months earlier prior to the conclusion of the September collective agreement. Then perhaps the union could have made further concessions to maintain employment levels in Oshawa. The union would have “rolled up its sleeves,” said Buckley, not to mobilize its membership in a fight against the company, but to find further cost savings for the multi-national auto giant.



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