

# Fate of GM production in Canada uncertain

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Despite appeals from both the Ontario government and union officials for clarity, General Motors (GM) continues to remain silent on its plans for auto production in Canada beyond 2017. The appeals come in the wake of a new report issued by automotive industry analyst Joe McCabe that predicts the complete closure of the giant GM complex in Oshawa, Ontario by 2019 and the decimation of production at GM's CAMI assembly plant in Ingersoll, Ontario. A move by GM along these lines would cut a further 5,400 jobs in auto assembly and thousands more in the auto parts industry.

Already, the company has announced plans to move production of its Camaro model from Oshawa, Ontario to Lansing, Michigan later this year. The move threatens over 1,000 unionized jobs in Oshawa. Provincial government and Unifor union officials have to no avail implored GM for a model to replace the lost production. Terms of the 2009 \$10.8 billion federal and Ontario government bailout of GM and Chrysler stipulated that the companies maintain loose domestic production quotas until 2016. With the imminent expiration of that agreement (although the auto companies have yet to repay in full the monies they received), it is expected that production previously located in Canada will move to Mexico and the United States.

Since 2000, when employment in the auto sector in Canada totalled 153,000, some 55,000 auto production and auto parts jobs have been lost nationwide. Of \$51 billion invested by automakers in North America from 2010 to 2013, over \$20 billion was earmarked for Mexico, \$29 billion for the United States and only \$2 billion was delegated to operations in Canada. At the turn of this century, Canada stood as the fourth largest auto production location in the world. It now ranks tenth. Some analysts have projected that it will fall to 15th place by the end of the decade.

For decades the Canadian Auto Workers Union (CAW), now Unifor, collaborated in the destruction of jobs and living standards in the name of making the corporations more competitive. The auto workers' union has overseen an almost 50 percent reduction in the number of hourly workers at Detroit's "Big Three" automakers in Canada since 2001. Since bailout money was dispensed in 2009, another 3,000 auto workers have lost their jobs at GM and Chrysler.

In a statement last month, Unifor boasted of its role in boosting the profits of General Motors. "The bottom line is that Canada has many advantages to offer GM for high-quality, competitive, profitable production. The productivity and quality awards won at Canada's plants are unmatched anywhere in GM's global operations." A look at the massive concessions granted to the auto companies by the union shows from whence such profitability originates.

The collective agreements struck in 2009 with the CAW reduced new-hire wages by \$4 per hour (to \$20 from \$24) and extended their time on the lower, second tier from six years to ten years. Veteran workers had their wages and cost-of-living allowances frozen. Retirees lost their cost-of-living allowances. The total amount of cuts to workers' wages and benefits amounted to more than \$20 per hour per worker. The CAW, in "fairness," then imposed similar cuts on Ford workers (Ford had previously turned down the opportunity to participate in the bailout package).

The union granted still further concessions in the contracts it negotiated in the fall of 2012. These included enrolling newly hired workers in a hybrid pension scheme that guarantees them no fixed pension amount and forces them, for the first time ever in an auto workers' contract with the Detroit Three, to pay large pension premiums. Assembly line workers, despite the increasingly onerous conditions of production, now receive only two ten-minute breaks per

shift and a twenty-minute lunch break.

From the moment of its founding in a split from the United Auto Workers (UAW) in 1985, the CAW/Unifor has sought to pit workers in Canada against their class sisters and brothers in other countries in a fratricidal struggle for the favour of the auto companies. The dead end of their nationalist nostrums has been clear for all to see, as the auto companies ruthlessly streamline their productive capacity based on a global division of labour.

The pro-company stance the union takes in the auto plants dovetails with its pro-big business political perspective. The CAW/Unifor 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 2006 federal election, then-CAW President Buzz Hargrove campaigned for Paul Martin, who as finance minister had imposed the greatest social spending cuts in Canadian history. In 2011, then-CAW President Ken Lewenza campaigned alongside the Ontario Liberals, extolling their role in the 2009 bailout of the auto bosses.

Hargrove and Lewenza's successor, current Unifor President Jerry Dias, has taken up where his former colleagues left off. He stumped in last June's provincial election for an Ontario Liberal government that, with the backing of the trade union-supported New Democratic Party, has imposed sweeping social spending cuts. In 2015 Unifor will take part in an electoral campaign against Progressive Conservative Prime Minister Stephen Harper that will support sitting New Democratic Party Members of Parliament and back the Liberals in about 240 other constituencies.

The attacks on Canadian auto workers are part of a global corporate offensive following the 2008 economic collapse. In the auto industry all the conglomerates have boosted profits amid ferocious competition for markets through relentless cost cutting at the expense of the working class.

Ford, GM and Chrysler, with the support of the United Auto Workers union, closed plants across the United States, sacked tens of thousands of workers, slashed retiree pensions and imposed a two-tier wages system in which new-hires are paid \$15 an hour. The onslaught has been extended to Europe and Asia. Ford has closed three plants in Europe since 2012, destroying 5,700 jobs. Last month, GM's Opel

subsidiary, backed by the German trade unions shut down a major plant at Bochum, Germany axing 3,500 jobs. In South Korea, GM is preparing to sack 1,100 workers.

The situation facing auto workers in Canada is a devastating historical verdict on the nationalist and corporatist perspective of Unifor, a perspective that falsely claims that capitalism can be regulated within the nation-state and can provide the framework for the advancement of the living standards of the working class.

The struggle to defend the jobs and living standards of auto workers necessitates an entirely new strategy. The prerequisite for any fight is a break with the unions and the building of new organizations, controlled by rank-and-file workers. The aim of such organizations must be the international unity of the working class in the defense of the jobs and living conditions of all workers, not the profits of the corporations and the banks. Above all, a mass workers party must be built committed to resolving the capitalist crisis at the expense of big business through the socialist reorganization of economic life.



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