Canada: Unifor prepares to cede further concessions to Detroit Three automakers

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One hundred and twenty delegates to the Unifor Auto Council representing the union bargaining committees at the Canadian plants of the Detroit Three automakers—General Motors, Ford and Fiat Chrysler (FCA)—voted unanimously earlier this month "to make new investments in Canada, including new product allocations, the top priority of the [upcoming contract] talks."

"When we get into bargaining, the number one priority will be maintaining and expanding the footprint of the industry in Canada," stated Auto Council Chair Chris Taylor.

Canadian autoworkers should take the pronouncements coming from the meeting of assorted national and local union bureaucrats as a threat. Declarations that "job security" is the top priority is simply coded language intended to convey to the auto bosses that Unifor is ready to push through further sweeping cuts in wages, benefits and working conditions. Faced with company threats of continued downsizing of auto assembly in Canada, union officials are signaling that they are once again open to negotiating miserable concession-filled contracts to fatten the profits of corporate shareholders.

Clearly, eight months after the United Auto Workers (UAW) rammed through concessions contracts at the Detroit Three's US operations, senior Unifor officials have begun preparing their own membership for a "Made in Canada" sell-out.

The contracts covering the 23,000 FCA, GM, and Ford workers come up for renewal in September 2016.

The upcoming negotiations are "really going to be about the future of the industry in Canada, no question in my mind," said union president Jerry Dias. "Ford has to come up with a solution for our Windsor plant, GM needs to come up with a solution for Oshawa and Chrysler needs to make a commitment to Brampton. ... For us our priorities clearly are going to be jobs."

Twenty-seven hundred jobs are manifestly at risk at two GM assembly plants in Oshawa, Ontario and at a St. Catharines, Ontario engine plant, to which no new products have been allocated. Terms of the 2010 $10 billion auto bailout agreement with GM stipulated that 16 percent of the company's North American production remain in Canada until 2016. GM Canada President Stephen Carlisle has been quick to point out that the company has fulfilled that obligation and is no longer bound by the stipulation.

GM's Oshawa Consolidated plant has no new work after 2017, whilst the Flex plant is threatened with closure before the end of the decade should no new models be assigned it. Last year the Camaro line in Oshawa was shut down and work transferred to a GM facility in Lansing, Michigan.

Carlisle has stated that no decisions on the future of GM's Canadian plants will be taken until after the negotiation of the 2016 contract. GM's failure to renew a parts contract last week with a supplier in nearby Whitby that provides door and floor panels to Oshawa has further stoked doubts about GM's plans for the area.

Corporate spokesmen have similarly refused to discuss investment plans for Ford's Windsor engine plant, which employs about 500 workers, and FCA's Brampton assembly facility, which has 3,300 workers.

The automakers' transparent aim is to use the threat of massive job losses to extort concessions, pitting workers in Canada against their class brothers and sisters in the US and Mexico in a race to the bottom.

Further influencing the Detroit Three's investment decisions are the terms of the Trans-Pacific Partnership (TPP) trade deal which, if ratified by the Canadian parliament and US Congress, will, after five years, end the current 6.1 percent tariff on Japanese auto imports.

While Detroit Three rake in record profits, Dias touts opportunity for "billions" more

Analyses of Detroit Three profits in Canada show that they continue to make money hand over fist. All three companies reported record sales for 2015. Profits increased by 79 percent to almost $2.5 billion, with the pre-tax profit margin the highest recorded since 2000. Despite slower economic growth, profits for 2016 are still projected to come in at over $2 billion.

Auto analysts have concluded that the $15.8 billion (US) in new investment in American plants promised by the Detroit Three during their 2015 negotiations with the UAW, in concert with rapidly increasing investments in their Mexican operations, leave little room for new monies to be dispensed in Canada.

Unifor President Dias is clinging to the recent devaluation of the Canadian dollar (currently worth about 78 cents compared to the American greenback) as a bargaining chip to convince the Detroit Three to invest in their Canadian facilities. Rejecting Dias' entreaties, global GM CEO Mary Barra curtly stated that "GM does not make decisions based on short-term swings in currency values."

Unifor officials are already bending over backwards to convince the auto executives that the union will do whatever it takes to reduce autoworkers' wages, benefits and working conditions to a level below those of workers south of the border. For example, union leaders have signaled that they are open to surrendering the last remnants of a watered-down defined-benefits pension plan for newly-hired workers by extending concessions granted in 2013 at the GM CAMI assembly plant in Ingersoll, Ontario to all other facilities.

The CAMI deal pushed all new employees into a wholly defined-contribution pension scheme. Currently, new hires in all other plants have a hybrid pension plan that relies heavily but not entirely on volatile investment schemes.

In addition, Unifor officials consistently tout to their corporate masters the efficacy of previous all-industry contract concessions that provide permanently inferior benefits, and pay newly hired workers $20.50 per hour–fourteen dollars less than veteran workers–with a lengthy 10-year “grow-in” period to full wage.

Speaking like a labour contractor, Dias bragged last year that “about two-thirds of unionized workers at the Oshawa plants are eligible to retire under the provisions of the [current] Unifor contract with GM. This will save General Motors billions.” Of course, the “billions” saved would be on the backs of the thousands of new hires who would enter the plants with not only massively compromised pension benefits, but significantly lower wage and benefit packages.

As Dias went on to excitedly explain, “If those workers retire, they can be replaced by newly hired employees who start at $20.50 per hour and whose wages won’t rise to the full seniority level of $34 an hour until they have been there for 10 years.” For Unifor, what is paramount in their calculations is not the well-being of the members they claim to represent, but the maintenance of a lucrative dues base that funds their six figure salaries, perks and expense accounts.

A portent of what is in store regarding the already brutal pace of work comes from recent events at the CAMI plant. GM is producing more truck frames than they can assemble and is seeking to ship some product to Oshawa for final assembly. However, the company has demanded 20 minutes more production “without cost” as a condition for doing this, which would be achieved by having some Oshawa workers go 3.5 hours without a break. The pace on the shop floor is already intense. Currently, workers get only two 10 minute breaks a day (after two hours of work) along with a 20 minute lunch.

Workers denounce two-tier wages and benefits

The *World Socialist Web Site* and its *Autoworker Newsletter* have received comments from their readership in the Canadian assembly plants that shed further light on the plans of the various Unifor bargaining committees. An Oakville Ford worker writes that trust in union representatives is at an all-time low, with workers discussing withdrawing from Unifor and establishing a smaller auto industry-based organization.

He writes, “Here in Canada Jerry Dias is pushing ‘investment’ too. What a bunch of horse shit. Our retirees gave up PCOLA [cost of living allowance] because the national union pushed on us the need to be competitive against other plants. With the Canadian dollar sitting at 75 cents and record profits being made it is time to get back some of the concessions like PCOLA and wage parity.”

Another Oakville worker writes, “No concessions! Definitely our turn to reap some of the rewards of record profits Ford is getting. Enough is enough.”

A worker from GM Oshawa reports that recent information leads him to believe that “we can kiss our efforts of getting PCOLA back. Dias has decided to not even put our demands on the table. After we were told by the auto council that the leadership was behind our efforts, we have now been thrown under the bus. So much for democracy and solidarity. Sad day for trade unionism.”

Workers from Windsor FCA have written to describe how older workers are being pressured to leave and given the most onerous jobs to drive them from the plant to be replaced by poorly paid new hires. Two-tier arrangements continue to undermine worker solidarity. A veteran worker at FCA said, “The differences between older and newly hired workers are numerous and deep. Resentment is felt over it. There are 10 years before ‘full pay’ is reached. Benefits are deeply compromised. Guys do the same job on different pay. In retirement it is also uncertain what the exact terms of the new hire benefits plan are, as some of it is tied to things beyond their control. But they are certainly worse than for those hired before 2012. If a worker transfers to another plant, they don’t lose corporate seniority, but they start as the lowest seniority in the next plant.”

A Brampton FCA worker reported: “The problem is that the corporation wants to slash wages further and what they’ve done is make the jobs, especially in assembly, a lot more difficult. The jobs are quicker and production has increased—they’re doing about 450 cars a shift. The jobs have changed since I started. There’s been a lot of cutbacks and so on. They’ve tried to save money.”

Unquestionably, Canadian auto workers will seek to resist Unifor’s collaboration with the auto bosses to impose further concessions and job cuts. But workers need to draw the lessons of the recent US contract struggle, and more generally of the transformation of the unions into corporatist appendages of big business.

A fight to defend jobs and living standards requires the formation of rank-and-file factory committees to unite autoworkers, not only across auto plants in Canada, but also in the US and internationally in a common struggle against the corporations and the unions, which function as junior partners of the auto bosses. We encourage readers of the *World Socialist Web Site* and the *Autoworker Newsletter* in the plants to step up their efforts to build resistance and to share information and their comments with us for dissemination among autoworkers throughout North America.