

Unifor and Detroit Three use job threats to beat back demands of Canadian autoworkers

Carl Bronski
26 July 2016

As Unifor negotiators and their management counterparts at the Detroit Three auto companies prepare to exchange contract proposals, financial and industry analysts continue to speculate over the automakers' threats to shrink their "footprint" in Canada.

Union and company bargaining teams are scheduled to exchange proposals on August 10 and 11. Between September 3 and 5, Unifor will choose a "target company," either Ford, General Motors (GM) or Fiat Chrysler (FCA), to negotiate a deal that would set the pattern for the other companies. On September 19, the four-year labour contracts for 23,500 workers will expire.

In particular, speculation on the precarious future of two GM plants in Oshawa, just outside of Toronto, Ontario, continues. Some 2,700 jobs there are at risk (as well as financing of an under-funded pension program) as GM seeks to reposition its global operations. The Consolidated Line, which currently produces the Chevrolet Equinox and has narrowly avoided closure on several occasions over the past decade, has no new product scheduled after 2017. The Flex Line plant, which produces the Buick Regal, Chevrolet Impala and Cadillac XTS, is also threatened.

The Flex Line recently lost 1,000 jobs when Camaro production was switched to Lansing, Michigan late last year. Buick Regal production is slated to end in 2017. Poor selling Cadillacs could stop rolling off the line in 2018 and be moved to Germany. The Impala model is projected to be transferred to Hamtramck, Michigan by 2019.

GM Canada President Stephen Carlisle has already stated that no decisions on the future of the company's Canadian plants will be taken until after the negotiation of the 2016 contract. Recent repositioning of auto parts feeder plant arrangements, however, shows that GM's future plans are well advanced. For instance, Nemak, an aluminum engine component supplier in Windsor, Ontario which, among other products, makes engine block parts for GM's Cadillacs is shifting that production to Monterrey, Mexico. And last month the failure to renew a parts contract with a GM supplier in nearby Whitby that provides door and floor panels to Oshawa further stoked doubts about the company's plans for the area.

More generally, under the terms of the 2010 \$10 billion auto bailout agreement with GM, 16 percent of the company's North American production had to remain in Canada only until 2016. Carlisle has been quick to point out that the company has fulfilled that obligation and is no longer bound by the stipulation. Further influencing all of 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.

Corporate spokesmen for the other Detroit Three companies 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 transparent aim of the automakers and Unifor 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, Mexico, Japan and other countries in a race to the bottom. At the same time, and in alliance with Unifor, the auto bosses seek to cajole a further round of cash grants—with no strings attached—from the federal and Ontario governments.

What has been the response of Unifor and its president, Jerry Dias, to these developments?

The upcoming negotiations are "really going to be about the future of the industry in Canada, no question in my mind," said 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."

Declarations that "job security" is the top priority are simply coded language intended to convey to the auto bosses that Unifor is ready to push through continued wage restraint combined with cuts to 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.

Dias has ostensibly drawn a "line in the sand," particularly concerning the threatened Oshawa closures. "We're going to have one heck of a fight with General Motors if there's no solution," he stated. Posing the possibility of strike action, he continued, "Our union has nothing to lose. I'm convinced that General Motors wants to close Oshawa and we're not going to let them."

Workers should put no store in Dias' pronouncements. Since his ascension to the union's national office in 1993 and his subsequent elevation to senior assistant to then Canadian Auto Workers (CAW) president Buzz Hargrove in 2007, and then as right-hand man to his immediate predecessor Ken Lewenza, Dias has made a specialty of diffusing rank-and-file resistance to the predations of the auto bosses. During the crisis of the auto industry in the wake of the 2008-2009 global economic collapse, Dias was dispatched to several auto parts plants that had been occupied by laid-off workers in order to arrange for orderly shutdowns. Indeed, as he told the *Globe and Mail* in 2013, "I've probably—unfortunately—bargained more plant closings than anybody else in the country."

In this regard, the closures of GM's Windsor Transmission and Oshawa Truck plants in 2008 offer particular instruction. In May of

that year, GM announced it would axe 1,400 jobs and end its decades-long presence in Canada's "Motor City" in 2010. Hargrove, backed by Dias who had become a key adviser to the president, vowed that his union would not sign a new contract with GM unless it included new product and investment guarantees for its Canadian operations. The union, he said, was prepared to strike over the closure announcement. But only days later Hargrove, reflecting the traditional genuflection of the entire union bureaucracy to the dictates of the corporations, admitted that his threats were little more than bombast.

"You strike after something that is achievable," he told reporters. "If we thought there was a product out there that we could strike and fight to win, then you bet your boots we would be striking over it. They informed us they have no product today and they'll have no product if we strike in September. You can't pull product out of thin air."

Only a month later, GM announced the planned 2009 closure of its truck plant in Oshawa with the loss of 2,600 jobs. The announcement took place only weeks after the CAW had pushed through a concessions contract that supposedly promised continued production at the truck plant through the life of the new three-year deal. Immediately a veritable rank-and-file rebellion broke out on the shop floor with initial go-slows escalating into a march through the center of town by workers seething with anger and calling for strike action.

Once again, the union's national office was mobilized to diffuse the crisis. Workers were ordered to cease any disruptions to production in favour of a publicity-stunt, faux "blockade" of GM headquarters. Shortly thereafter, even this milquetoast action was discontinued and an orderly shutdown of the plant negotiated after the company cited small clauses in the contract agreed to by the union that provided loopholes for plant closures.

In the current run-up to the September contracts, Unifor officials are already bending over backwards to convince the auto executives that the union will do whatever it takes to reduce autoworkers' wages and benefits to a level below those of workers south of the border in the United States. Union leaders have signaled that they are open to surrendering the last remnants of a watered-down pension plan for newly hired workers by extending concessions granted in 2013 at the GM CAMI assembly plant 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.

Speaking like a labour contractor, Dias bragged last spring 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. Already, new hires at Ford Oakville and Brampton Chrysler make up substantial proportions of the work force.

As Dias infamously went on to explain, "If those (GM) 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.

Unifor is already preparing itself for a fight with rank-and-file

workers over the eventual contract ratification votes this fall. Under conditions where the Detroit Three have made big profits over the past five years based on a series of giveback contracts signed by Unifor and the United Auto Workers in the US, autoworkers are looking for an end to concessions.

Canadian workers were inspired by the massive rank-and-file revolt in the UAW south of the border last year when workers at Fiat Chrysler initially voted down the concessions deal offered to them, followed by a rejection of the GM contract by the skilled trades section and then a narrow acceptance vote at Ford amid credible charges of union-orchestrated vote fraud.

Dias told reporters that the UAW was slow to react to an aggressive social media campaign instigated by workers opposed to the sell-out deals. While not naming his nemesis, Dias like his bureaucratic counterparts in the US, means the *World Socialist Web Site* and its *Autoworker New s letter*, which was widely circulated by autoworkers and became the center of rank-and-file opposition. Reassuring the auto executives and the corporate-controlled media that Unifor is determined to try to counteract any similar campaign in Canada, Dias said, "We have got to be active on social media."

Canadian autoworkers will no doubt resist the conspiratorial plans of Unifor and the auto bosses to impose ever more hardships on them. But workers need to draw the lessons of the recent US contract struggle, and more generally of the transformation of the unions internationally 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, the big business parties and the capitalist system, which is impoverishing the vast majority of humanity for the benefit of the already super-rich few. 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 and the world.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact