Unifor selects General Motors Canada as pattern bargaining target

Carl Bronski
8 September 2016

Unifor President Jerry Dias announced on Tuesday that his union has selected General Motors as the target in this month's contract negotiations with the Detroit Three auto companies. Traditionally, the autoworkers' union chooses an initial company with which to negotiate that then sets the "pattern" for subsequent agreements with the remaining automakers. Contracts for some 23,000 workers at GM, Ford and Fiat-Chrysler Automotive (FCA) expire on September 19th.

Corporate management at the Detroit Three will be delighted with Unifor's selection. Dias has chosen as his target the company with which autoworkers have the least leverage in reversing over a decade in concessions contracts. But this is no blunder on the part of Unifor. Rather, it is a signal from the union officialdom that it is prepared to once again negotiate deals that surrender the wages and benefits of the membership to further bolster auto company profits and line the pockets of corporate shareholders and executives.

Both FCA and Ford have made substantial new investments in their operations over the past three years. FCA has invested $3 billion to retool its Windsor Assembly operation and prepare for production of a next generation minivan whilst Ford put $700 million in new monies into its Oakville operations to produce its best-selling Edge SUV. Both companies would face substantial losses in the event of strike action.

That is not the case for General Motors. Some 2,600 jobs at the company's Oshawa complex 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 poor-selling Buick Regal, Chevrolet Impala and Cadillac XTS, is also threatened. That line already lost 1,000 jobs last year when Camaro production was transferred to Michigan.

Seeking further concessions, GM Canada President Stephen Carlisle has insisted that no new investment decisions will be made for its Canadian operations until the conclusion of contract bargaining. The automaker's 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.

GM's only high-selling product in Canada, the Equinox, is also produced at its CAMI Ingersoll plant (CAMI workers have a separate contract that does not expire until 2017) and can be produced in Spring Hill, Tennessee and in Mexico as well. In addition, GM has built in redundancy at operations south of the border for some of the V6 and V8 engines produced at its St. Catharines, Ontario engine plant, although product shipped to GM Arlington, Texas is sole sourced from St. Catharines.

The nationalist perspective of Unifor (formerly the Canadian Autoworkers-CAW), brought to a frenzied climax in the 1985 split from American autoworkers, has borne bitter fruit for workers on both sides of the border. The auto companies are well-versed in using the divisions created between American and Canadian workers to their own advantage. Unifor's promotion of economic nationalism dovetails with the promotion by the United Auto Workers (UAW) of protectionist policies in the United States. This perspective has proven utterly disastrous for autoworkers and for communities dependent on the auto industry. It has served to pit Canadian, Mexican and American autoworkers against each other in a never-ending whipsawing drive to lower wages and benefits and destroy working conditions for all sections of workers.

Based on its nationalist and corporatist program Unifor is absolutely opposed to any struggle to mobilize the strength of autoworkers against concessions and in defense of jobs. Despite occasional bluster about a "dust up" with GM over jobs in Oshawa, Dias, at his Tuesday press conference, told reporters that "I don't think there is going to be a strike. I think GM is going to work with us toward a solution."

Indeed, despite one concessions contract after another over the past decade and more, CAW/Unifor has not launched industrial action since a three-week strike at General Motors in 1996. If a strike is called by the union, it will only serve as a stunt to siphon off rising anger amongst autoworkers over the union's refusal to mount any fight over years of give-backs, job losses and plant closures.

Prior to his current role, Dias served as a lieutenant to former Canadian Autoworkers union president Buzz Hargrove during the 2008 closure announcements for GM's Windsor Transmission and Oshawa Truck plant. In both cases, strike action was threatened but never carried forward. Indeed, in the case of the Oshawa facility, the union had actually negotiated the language that allowed for the shutdown, called for the membership to ratify the deal and then, to deny their own culpability, cried foul when weeks later GM announced the closure. In any case, as Dias himself said to the *Globe and Mail*, "I've probably—unfortunately—bargained more plant closings than anybody else in the country."

At his press conference, Dias all but admitted that the pattern he would be seeking to set would be another concessions-laden deal. The negotiations with Ford in 2012 (the target company of that year) would serve as the model for bargaining this year with GM. Workers will not soon forget how the 2012 contracts only deepened the deep cuts made in the 2007 and 2009 agreements, further extending the two-tier "grow-in" system, moving to an inferior hybrid pension scheme for new hires, once again forgoing a wage increase, weakening work rules, abandoning retirees and further slashing benefits.

Union leaders have already signaled that they are open to surrendering the last remnants of the already 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 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 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." Paramount in Unifor's 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.

Also instructive is Dias' fulsome praise for United Autoworkers president Dennis Williams in the wake of the auto contract negotiations last fall in the United States. During that round of concessions bargaining, workers at FCA rejected the initial sell-out deal but were not called out on strike. Instead they were told to vote on a similar sellout agreement a week later. At GM, skilled trades workers voted down the contract and, in a violation of the union constitution, UAW officials overrode the result. At Ford, a large margin for rejection was carried into the last day of voting when, under very credible charges of vote fraud, a "landslide" at the final plant to vote narrowly shifted the tally in favour of ratification. For all this, Dias has characterized Williams as "an incredible leader".

Canadian autoworkers should take the pronouncements coming from Dias and his assorted national and local union bureaucrats as a threat. 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 further sweeping cuts in wages, benefits and working conditions.

Canadian autoworkers will no doubt resist the plans of Unifor and the auto bosses to impose ever more hardships on them. But to be successful, this struggle requires a new, international strategy. In the first place autoworkers need to draw the lessons of last year's US auto contract struggle, where UAW officials rammed through concessions agreements despite a rebellion by the rank-and-file against them; and, more generally, the lessons around 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. This requires a new political perspective based on uniting the working class around a socialist program in opposition to the big business parties and the capitalist system they defend. We encourage readers of the *World Socialist Web Site 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. If you have not done so already, subscribe to the WSWS *Autoworker Newsletter* today.