Strike deadline looms at GM Canada

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A strike deadline of 11:59 PM EST on Monday, September 19, is approaching for autoworkers at three General Motors facilities in Ontario, Canada, including 2,500 assembly workers in Oshawa, 1,500 employees at GM's St. Catharines engine plant and about 100 workers at a Woodstock parts supply depot.

On Saturday, Unifor (formerly Canadian Auto Workers) President Jerry Dias told reporters that negotiations had not resulted in "anything meaningful" so far, particularly regarding new products for the giant Oshawa plant outside of Toronto. By Sunday he said, "I'm feeling much better today than I did yesterday but I'm still not feeling great."

Unifor's official position is that no deal will be struck with GM unless the company assigns new product and investment to its endangered facilities. Currently, production at Oshawa's Consolidated Line, employing about 1,000 workers, is scheduled to end in 2017. At the company's Flex Line facility, staffed by another 1,500 workers, there is no new work assigned after 2019.

Over the course of the negotiations, GM management has maintained its position that no decisions on the future of the company's Canadian plants will be taken until after the negotiation of the 2016 contract. For his part, Dias has downplayed rank-and-file workers' demands for significant improvements in wages and benefits after the union imposed a decade-long wage freeze, and agreed to and extended a two-tier new hires policy, workload speed-ups and countless benefits givebacks.

The transparent aim of the automaker and Unifor is to use the threat of massive job losses to push through another corporate-friendly agreement that can then be used to set the pattern at Ford and Fiat-Chrysler plants in Canada. 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.

In this regard, the *Globe and Mail* reported this past week that Canada's federal government has signaled it may be prepared to adjust key elements of its Automotive Investment Fund. Previously, the fund offered low-interest loans to automakers for new investment in their Canadian facilities. Now it is being suggested that the government will move to an outright grant program. In lock-step with General Motors' insistence that no decisions on future investment will be made until Unifor pushed through a new sellout agreement, the government's official stance is that they currently are simply "studying the issue." "We have made clear we are looking at changes", said Philip Proulx of the Department of Innovation, Science and Economic Development, but, "we are not ready to make any announcements."

The plans to hand over more public money to the auto companies come as all of the Detroit Three trans-nationals have made profits hand over fist as a result of a series of massive concessions deals signed by the Canadian Auto Workers and a $13-billion-dollar bailout package furnished to them after the 2008 global economic crisis. The bonanza for the auto bosses continues. GM reported $10 billion (US) in 2015 profits and has to date claimed almost $5 billion for the first half of this year.

Rank-and-file autoworkers in Canada have been adamant that after ten years of wage freezes and benefits givebacks, they are prepared to fight for a contract that addresses the relentless erosion of their living standards and working conditions.

"Unifor told us in the last contract ratification that with the concessions to new hires and our benefits that it would allow us to be more competitive. These concessions would spur new investment in Canada," a worker told the *World Socialist Web Site Autoworker Newsletter*. "Now, four years later, with the companies making healthy profits and the dollar dropping some 30 percent since the last contract, we are told by the union that they cannot afford to go after cost of living allowance for retirees that was suspended with the promise of being reinstated. They cannot afford to go after better benefits and pay. All the while top union officials receive better pensions than those on the floor. We are back to simply begging for empty promises of investment."

Opposition from workers is leading to a direct clash with Unifor, which, like the United Auto Workers in the United States, is committed to containing labour costs in order entice the companies to locate production in their own countries.

Unifor is already signaling that more concessions are in the cards. It appears the union is prepared to surrender the remains of a "hybrid" pension program for new hires. Currently, newly hired workers start at 60 percent of the $34 per hour wage, have reduced benefits and need to work 10 years before growing into full wage rates. However, the auto companies are now demanding new workers accept a riskier and inferior defined contributions pension scheme. A recent study has shown that workers saddled with such schemes need to work at least three years longer than their veteran counterparts to secure the same pension—and that precludes a precipitous crash of the stock market, which could wipe out pensions overnight.

Unifor has already agreed to this inferior pension scheme in a separate contract at the GM-owned Canadian Automotive Manufacturing Inc. plant in Ingersoll, Ontario. "It's a problem, CAMI going to a straight defined contributions plan for new starts was a real breakaway from the master Detroit Three negotiations", Dias told reporters, trying to distance himself from the deal.

In fact, Unifor has heralded the inferior conditions for newly hired workers as a selling point to GM. With 100 percent of St. Catharines workers and 75 percent of Oshawa workers now eligible for retirement, Dias, speaking like a cheap labour contractor, has told GM that if new product is assigned, they will be able to reap the benefits of a massively-turned over workforce making far lower wages and benefits. As he enthusiastically opined, "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."

Unifor has gone past even a two-tier system at GM. In 2013, only one year after the last concessions contract was signed, the union—without a membership vote—agreed to management's inclusion of a third tier of workers. Currently over 500 Supplementary Workforce Employees labour at GM with inferior wages and benefits, no pension plan whatsoever and no job security.

It is expected that GM, as the company did in the United States in last year's negotiations with the UAW, will include a retirement incentive package for veteran workers to clear the way for a large influx of younger second-tier workers. The savings accrued could then be funneled into a modest wage rise for the remaining workers. But as the sellout deals signed last year by the UAW south of the border showed, the raises over the life of the contract were barely above the rate of inflation and utterly failed to make up for the ten year wage freeze.

In any case it appears most likely that those workers who opt for retirement will, like their brothers and sisters who have retired over the past decade, not be eligible for a Cost-of-Living Allowance (COLA). There are already more than twice as many retirees from the Detroit Three in Canada than the 23,000 current workforce.

A strike at GM—in the event that the strike is of some length—could slow production at several assembly facilities in the United States. This would most likely be the case if management is not able to utilize extra capacity in its American plants to make up lost production, in particular of the V6 and V8 engines and also transmissions built at the St. Catharines facility. However, auto analysts have pointed out that GM maintains enough redundant capacity in American powertrain plants to absorb, with very little additional costs, any reduced volume out of St. Catharines.

As for production at the Oshawa assembly facilities, makers of GM's only high-selling product in Canada, the Equinox, the vehicle is also produced at GM's CAMI Ingersoll plant (CAMI workers' contract does not expire until 2017). Local Unifor officials at CAMI have announced that in the event of a strike, they will not disrupt production of the Equinox, but will merely undertake to refrain from extra work and refuse to handle engines not sourced from St. Catharines. In any case, the Equinox can be produced in Spring Hill, Tennessee, and in Mexico as well.

A refusal, however, by American autoworkers to perform the "extra work" required would greatly strengthen the hand of their class brothers and sisters in Canada. But such action is anathema to the UAW, which like Unifor is an anti-working class organization that is tied through a web of corporatist relationships to the auto companies and is directly dependent on management for a large portion of its finances. While issuing all sorts of hollow statements of solidarity, UAW President Dennis Williams last week refused to rule out scabbing on a potential Canadian strike. Having imposed a sellout contract on a rebellious American workforce in 2015, the last thing Williams wants to encourage is a militant and effective struggle by Canadian autoworkers.

Williams's statements flatly contradict Dias's prediction that the UAW "would respect any action" of the Canadian union by restricting extra work south of the border. In any event, Dias's choice of GM as the union's initial target company for the pattern settlement—the company at which the membership has the least leverage—has sent a strong signal to all three Detroit automakers that the union is set to impose significant concessions.

The nationalist perspective of the CAW/Unifor—and their counterparts in the US—culminated in the 1985 split of the UAW along national lines. It 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. These have 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.

Canadian autoworkers, like their brothers and sisters in the US, will resist the inevitable attempt by Unifor to impose a sellout agreement tailored to the needs of management. But a fight to defend jobs and living standards requires a rebellion against Unifor and the formation of rank-and-file factory committees to unite autoworkers across auto plants in Canada and to appeal to workers throughout North America to wage a common struggle against the giant corporations and the unions and capitalist political parties that defend them.