

Political lessons from the Canadian auto “bailout”

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The WSWS Autoworker Newsletter is holding an information call-in meeting for autoworkers in Canada and the US on Wednesday, October 12, at 7:00 p.m. Eastern Time. To participate, dial 438-800-2937 in Canada and 213-416-1560 in the US and enter PIN 581 991 086#.

Autoworkers in Canada are in the midst of a bitter struggle to defend their jobs and working conditions as the Detroit Three, with the full support of the Unifor union bureaucracy, demand further givebacks and concessions in the name of improving corporate competitiveness—that is, swelling investor profits—and securing investment.

The substantial opposition among GM workers, who passed Unifor’s derisory “pattern” settlement with the smallest-ever majority for a Detroit Three contract, demonstrates that workers are determined to fight back against decades of job, wage, and benefit cuts.

A successful worker counter-offensive will require: (1) a political and organizational break with the pro-company Unifor apparatus; (2) a struggle to mobilize autoworkers across North America to fight for decent and secure jobs for *all* workers; and (3) a political struggle against the entire ruling class and their big business parties, the Liberals, Conservatives and New Democratic Party (NDP).

Any challenge by autoworkers to the auto bosses will bring them into headlong conflict with the political representatives of big business. This was proven by the role that all three parties played during the 2008-2009 auto bailout, when they joined forces with the automakers to impose unprecedented contract concessions and job cuts.

Seizing on the fall 2008 global economic implosion, the ruling establishment in Canada and the United States rushed to prop up the criminal financial elite who had caused the banking collapse with billions in bailout funds with no strings attached, while enforcing devastating attacks on working people. The spearhead of this offensive came in the auto industry.

Making workers pay for the capitalist crisis

When Chrysler and GM came forward with restructuring plans requiring massive new worker givebacks, the newly elected

Obama administration rejected them because they did not go far enough in attacking workers’ rights. With the aim of slashing wages, further entrenching the two-tier system and otherwise gutting rights won by workers in decades of bitter struggle against the automakers and the capitalist state, the Obama administration effectively pushed the automakers into bankruptcy.

In all of this, the federal Conservative government of Stephen Harper and the Ontario Liberal provincial government of Dalton McGuinty were Obama’s and the auto bosses’ co-conspirators.

Both governments participated in Obama’s “auto task force,” which drafted the plans for restoring profitability to the auto industry by shredding workers’ rights and living standards. Subsequently, the federal and Ontario governments gave GM and Chrysler Canada C\$14 billion in “bailout” funds on the condition that the Canadian Auto Workers (CAW), Unifor’s predecessor, impose the brutal concessions demands the three governments had drawn up in collaboration with the Wall and Bay Street banks and investment funds.

In “exchange” for these givebacks, workers received worthless investment and production guarantees from the automakers through 2016. These did nothing to prevent massive job shedding through plant and production-line closures and speed-up over the next eight years, as well as a continuing assault on working conditions.

While the auto bosses and capitalist governments across North America cooperated to jointly fleece autoworkers, the CAW and the United Auto Workers (UAW), in line with their role as chief enforcers of one round of attacks after another since the 1980s, worked tirelessly to divide workers along national lines and offer them up as cheap labour commodities to be exploited by Ford, GM and Chrysler.

Twice in the spring of 2009, the CAW blackmailed Chrysler and GM workers into reopening their contracts, repeating the threats of the auto bosses and politicians that the auto industry would otherwise collapse and production would be shifted wholesale to the US and other locations. The sell-out deals that the CAW rammed through contained givebacks amounting to C\$19 per hour per worker. This pattern was replicated at Ford later in 2009, when CAW officials argued it was only “fair” to grant Ford the same cost savings. Even though the automaker was not part of the bailout, the CAW bullied workers into reopening the previous 2008 concessions-laden deal, so as to ensure Ford remained “competitive.”

In April 2009, with the Conservatives threatening to push GM and Chrysler into bankruptcy, McGuinty's Liberals sought to increase the pressure on workers, by declaring that the Ontario government would not abide by a decades-long commitment to cover pension shortfalls for workers at a bankrupt company.

The Liberals followed this up by offering their own package of tax breaks and cheap loans to the automakers. These helped GM, Ford and Chrysler to rake in massive profits in subsequent years.

The Liberals' role in the anti-worker bailout is a damning indictment of the politics of the CAW and Unifor. Since the late 1990s, the CAW/Unifor has promoted the Liberals as a "progressive" party. It provided the Liberal campaigns in the 2003 and 2007 Ontario elections with millions in funding, helping elect, then re-elect a right-wing Liberal government that left in place the key regressive tenets of Mike Harris's Thatcherite "Common Sense Revolution." In the 2006 federal election, CAW President Buzz Hargrove campaigned for Paul Martin, who as finance minister had imposed the greatest social spending cuts in Canadian history, and for Belinda Stronach, the Magna auto parts boss who first helped found Harper's new Conservative Party and then defected to the Liberals.

The only answer for autoworkers to the 2008-2009 crisis lays in a complete rejection of the entire bailout framework. Workers were not responsible for the financial crisis and should not have been made to pay for it. As the Socialist Equality Party urged at the time, workers had to launch a militant campaign of strikes and plant occupations, appealing for support from workers across North America in opposing the big business-government attempt to foist the burden of the capitalist crisis onto the backs of working people. This required the adoption of a socialist program based on the fight for a workers' government, which would place basic industry and the financial system under public ownership and the democratic control of working class, so that the economy could be reorganized to meet social needs, not enrich a tiny clique of ultra-rich.

The CAW/Unifor and UAW divide and suppress worker opposition

By contrast, the CAW promoted the pro-capitalist and nationalist poison that had been its hallmark since it split from the UAW in 1985. At every turn, the CAW and UAW did everything in their power to thwart a joint struggle by autoworkers in North America, even though workers on both sides of the border confronted the same corporations and big business politicians demanding the same concessions.

In May 2009, the CAW-GM Master Bargaining Committee issued a leaflet that dripped with nationalism and presented US workers, rather than the corporate bosses, as the enemy. "Our productivity is superior to the U.S.," the Master Bargaining Committee boasted. "And our labour costs are lower. It makes no sense to impose a 'one-size-fits-all' formula on us, that ignores Canada's advantage."

In October and November, workers at Ford rebelled against the brutal concessions being enforced by the UAW, voting down a contract patterned after the US "bailout" contracts. The CAW reacted to this burgeoning worker revolt by announcing an agreement with Ford on a Friday afternoon and rushing to hold ratification meetings over the weekend in order to block any possibility of a joint struggle of North American autoworkers.

Canada's social democratic NDP maintained virtual radio silence on the auto bailout. But in deeds it demonstrated that it was fully on the side of corporate management and the ruling elite. In the fall of 2008, it agreed to form a federal coalition government with the big business Liberals committed to slashing corporate taxes by C\$50 billion, imposing austerity, and continuing Canada's participation in the Afghan War. The coalition ultimately failed to come to pass due to the anti-democratic constitutional coup carried out by the Harper Conservatives when they suspended parliament with the assistance of Canada's unelected Governor General and the support of Canadian big business. Just a few months later, the NDP propped up Harper in a vote in the House of Commons, ensuring that Canada's most right-wing government in modern Canadian history retained in power.

To be successful in their current struggle, autoworkers must draw the political lessons of these experiences. The establishment political parties are the hirelings of big business and, consequently, the bitterest enemies of working people. This is as true for the ever-rightward-moving NDP, as it is for the Liberals and Conservatives.

Workers must combine an industrial offensive against the auto bosses with the building of a party committed to fighting for their class interests—that is for a workers' government that would place the needs of working people for decent-paying and secure jobs, a safe retirement, public utilities and access to culture above the drive for corporate profit.

Such a party must be based on an internationalist program, uniting the struggles of autoworkers in Canada with their brothers and sisters in the United States, Mexico and around the world. For decades, CAW/Unifor and the UAW have peddled nationalism to play workers off against each other, forcing them to compete in a race to the bottom in the interest of boosting corporate profitability. As the SEP statement on the current contract battle notes, "Auto workers face powerful enemies, but they have even more powerful allies in the working class across Canada and around the world" (see: "For a counteroffensive against the auto bosses! A socialist-internationalist strategy for Canadian Detroit Three workers").

We encourage all autoworkers who agree with this perspective and want to develop a social and political working-class counter-offensive to contact the WSWs Autoworker Newsletter and the Socialist Equality Party.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact